M

Secy, 11-27—45,006—18-12-30.

Development (1933) Department.

Ms. SERIES.

G.O. No 1221

DATED 5 10 1933

[Despatch Abstract.]

Industries State Aid to Industries Bellary, Agteh factory, Anthpala Balance due from Ramanna Write off - Sanctioned

Industries **DEPARTMENT.**

C.F. 30.

Dev. 3286 II
27. 9. 28

Received ..... 192 . *Registered* 192

Subject.

State Aid - Mr. Muthyala Seenappa Ramanna's Match Factory - Bellary - suspension of repayment of the first annual instalment - recommended

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ENCLOSURES.
No .....
.....
Spare copies .....

No. 106-A/28.

Station Madras. *Dated the* 26th September 1928.

From (Name) Khan Bahadur M.Bazl-ul-lah Sahib Bahadur, C.I.E., O.B.E.,

(Designation) Director of Industries, Madras.

To The Secretary to the Government of Madras,

Development Department.

Sir,

In their order No. 1320, Press Development, dated 25th August 1927, Government sanctioned, subject to certain conditions, the grant of a loan of Rs. 20,000/- to M.R.Ry. Muthyala Seenappa Ramanna Garu for working his safety match factory at Bellary. The factory appears to have started manufacturing operations only with the aid of the loan granted by Government and does not appear to have made much headway, the output not having been up to expectations. The dipping machine installed has not given the outturn claimed for it by the manufacturers, the actual outturn being reported to be 50 or 60 gross matches per day against the expected outturn

considered on the whole to be up to date and yielded reasonably satisfactory results when the experiments suggested by the Board of Industries were carried out in conjunction with the Forest Department. The proprietor states that he has had to spend a considerable amount in setting the machines right and also in altering them to produce full size matches instead of small size ones, for which they were designed, as there was no demand for the latter. The factory seems therefore to have worked at a loss.

2. Mr. Ramanna's experience in regard to the provision of supervision and labour for his factory has also been rather unfortunate. Agreeably to his wishes, the post of factory manager, the appointment of whom to my satisfaction was a condition of the grant of the loan, was advertised in the papers but the person selected by me who was particularly well qualified for the purpose ~~would~~ did not seem to find favour with Mr. Ramanna. There was an open quarrel between the two and as the man could not continue thereafter as manager, he had to resign his job. The question of appointing another man to be in charge of the factory is now under consideration. There also appears to have been some sort of strike of the factory employees at the time the manager selected by me went to Bellary, as a result of which the men went away and the new manager had to be deputed to Shimoga to bring some new men. As, however, the new manager was not retained, the men he had brought had also to return to their homes and new men had to be entertained.

3. All these circumstances necessitated the closing of the factory for sometime and the concern is reported to have sustained a loss. Mr. Ramanna has therefore represented to me that the repayment of the first instalment may be postponed by one year and I support his request as the payment will be unduly burdensome to him at present particularly as, as will be

1928, he is taking steps to purchase some new machines for his factory and this will involve some capital expenditure. The loan is at present repayable in 20 years and although under proviso to rule 23 of the rules, this period should not ordinarily be exceeded, Government have powers to extend the period of 20 years under section 13 (2) of the Act.

4. I request the favour of very early orders on this reference.

I have the honour to be,
Sir,
Your most obedient servant,

for Director of Industries.

nva-26.

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Copy of letter dated 23rd September 1928, from Mr. M.S. Ramanna, Bellary, to the Director of Industries, Madras.

In obedience to your proceedings No. 106-A/28, dated 21-9-1928 requesting me to pay the first instalment of the loan, I most humbly beg to state that I have submitted my petition on the same subject on 21-9-1928 begging you to kindly postpone the payment, as I am arranging to get some more machines to work in the place of dipping machine which failed to work properly.

Further, whole of this year the Factory did not work regualrly and lost of money had to be spent in setting right the machines and in altering the same from small size to full size as there was no demand for small size matches.

To-day I am sending my agents to Cuttack (Orissa) and I am myself going to Dharwar and Belgaum to get 'Frame Filling Machine', 'Frame Emptying Machine' and 'Frames'.

I therefore most humbly pray that you will be graciously pleased to consider my petition very favourably and postpone the first instalment of the loan and thus help me in this juncture.

5

Dev Dept

OTCNo. 3286 W/28-1 d 5-10-28

Letter from the D.C., No. 10BA/28 d 28-9-28 –

Loan to Mulla Sadappa Ramanna – proprietor of match factory, Bellary – dispensing of repayment of first instalments

The Director is requested to state whether the factory is working and under what management

Dev Dept

6

Dev Deptt.

OM No. 3286 D/28-2 D 12-10-28

Subj: State Aid to Industries Act — loan to M. Seenappa Ramanna — Proprietor of match factory at Bellary.

The attention of the Director of Industries is invited to an advertisement appearing in the "Hindu" of 9th October 1928 offering the match factory owned by Thulluyala Seenappa Ramanna for sale, and he is requested to ascertain and report the circumstances under which the factory has been advertised for sale

11-10-28

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11-10

The D.

C.V. 60.

DEPARTMENT.

Rev. 3854 II
9-11-28

Received ..... 192 . *Registered* ..... 192 .

Subject.

State aid - Bellary Match Factory - fire accident - reporting -

ENCLOSURES.
No .....
.....
Spare copies .....

No. 106-A/28.

Station Madras., *Dated the* 8th November 1928. 192 .

From (Name) Khan Bahadur M. Bazl-ul-lah Sahib Bahadur, C.I.E., O.B.E., M.L.C.,
(Designation) Director of Industries,

To The Secretary to the Government of Madras,
Development Department.

Sir,

With reference to Government Memorandum No.3286-II/28-2 dated 12th October 1928, I have the honour to report that I have received a communication from Mr.Muthyala Seenappa Ramanna to the effect that his Match Factory caught fire on the 5th and that all the machines were destroyed. I have no information as to the extent of the loss or damage but Mr.Ramanna informs me that on 26th October 1928 the factory was insured for a sum of Rs. 48000/- with the New India Assurance Co., and that he is

as to the extent of the damage to the Factory and shall submit a further report to Government shortly. I have also asked Mr.Ramanna to send the policy to me for perusal.

2. The conduct and attitude of the Proprietor of this factory has of late become unsatisfactory. I have already referred in my letter of 27th September to his quarrel with the Manager selected by me and in the interval no arrangements were made to appoint a suitable man to supervise the working of the Factory. Latterly Mr.Ramanna appears to have entertained doubts as to the possibility of working the factory successfully, with the result that he advertised it for sale without the knowledge of the Department and the permission of Government. When I asked him for an explanation for this improper conduct, he wrote to the effect that he had since changed his mind and that he was going to continue to work the Factory and I was about to report these facts to Government when I received his report of the fire.

3. I am not satisfied as to the man's bona fides, as to his ability to run the factory successfully and he seems unwilling to agree to the appointment of a properly qualified man to manage the concern. In the circumstances, I recommend summary recovery of the whole amount irrespective of whether the factory can continue operations or not. I am notifying the Insurance Company that a sum of Rs.20000/- with interest is due to Government on account of a State Loan under the State Aid to Industries Act for which the entire property stands mortgaged to Government and that payment of the amount for which the Factory was insured, should be withheld pending further advice from me.

I have the honour to be

Sir,

Your most obedient servant,

for Director of Industries.

V. urgent

NWL 14-11

Dev Dept

GO No. 328 Ind/28-3 d 14-11-28

Desp 14/11

28/14/11

H

Press G.O. of G.O. No. 1320 d 25-8-27

Num of B. 20,000/- has been advanced by the Govt. under the State Aid to Industries Act to one Mr. Muthyala Seenappa Rawanna, proprietor of a match factory at Bellary to be applied as working capital of the concern. The security taken for the loan is the match factory site and buildings valued at B. 14,000/- and the machinery installed therein valued at B. 31,361/- A copy of the Govt. order sanctioning the loan, the bond executed by the borrower and a copy of the State Aid to Industries Act with rules thereunder are enclosed for reference and return.

2. It will be observed that one of the conditions of the loan was that the proprietor shall appoint a properly qualified man to the satisfaction of the Director of Industries to be in charge of the factory. The Director of Industries has reported that the man selected

Num [9] of note on pts of G.O.

were on an open quarrel between
the two as a result of which the
manager resigned and that the proprietor
has not appointed another man
to the satisfaction of the Director to be
in charge of the factory. The Director is
also reported that the match factory
caught fire on the 5th inst and that all the machines 17-C4
were destroyed. It is stated that the factory
has been insured for Rs. 48,000/- with
the New India Assurance Co. The
Director states that the conduct and attitude of the proprietor para 8-C4
has of late become unsatisfactory. He
actually advertised the factory for sale
without the knowledge of the Director or
the sanction of Govt. prior to the
occurrence of the fire. When the Director
asked for an explanation of this conduct,
the proprietor seems to have replied that
he had since changed his mind and
that he was going to continue to work
the factory. The Director however states
that he is not satisfied as to the manager's para 4-5-C4
bona fides or as to his ability to run
the factory successfully or as to his willingness
to agree to the appointment of a manager

and recommends summary recovery of the whole amount of the loan irrespective of whether the factory can continue operations or not. The first instalment of repayment fell due on the 1st October 1928. This has not been paid up, but the proprietor has applied for suspension of payment of this instalment on the ground that the factory had worked at a loss.

3/ The Advocate General is requested to advise as to how the Govt. should proceed in the matter and to safeguard their interests. In view of the unexpected accident that has occurred the main issue raised is how to effect summary recovery of the loan advanced by Govt.

14

AG
13 xi 28

RC
13 xi.

AG
14 xi.

Dpd by Van
Dpd. Manager
Dpd. Manager
Dpd. 14-11-1928

To the Advocate General
Madras

(With copy of G.O. No. 1320 d 25-8
(2) the bond in original
(3) Copy of the Act) to be returned

No. 956

OPINION.

Ref:- Memorandum No. 3286-II/28-3 dated 14th November 1928, Development Department.

Bellary Match Factory.

******

I take it that the Government have not agreed to the suspension of payment of the first instalment as requested by the mortgagor (proprietor of the factory).

The mortgagor not having acted in accordance with the terms of the mortgage in the matter of the appointment of a properly qualified manager to the satisfaction of the Director of Industries and further having defaulted in the payment of the first instalment which fell due on the 1st October 1928, the Government are entitled to take proceedings for the exercise of the right of private sale conferred on them by the mortgage deed. But proper notice as prescribed by section 69 of the Transfer of Property Act, and by the mortgage deed should be given to the mortgagor. Reference may be made to the form of notice adopted in the case of the Carnatic Paper Mills recently.

As it is stated that the match factory caught fire and that all the machines were destroyed, it is better that before such notice is given, another notice is given to the mortgagor under section 68 of the Transfer of Property Act calling upon him to give sufficient [illegible] for the debt within, say a fortnight,. And

if he defaults in doing so, then immediately thereafter the notice regarding private sale mentioned above may be given. Having regard to the terms of the mortgage deed and the events that have happened, occasion for the exercise of the right of private sale has arisen, so that the Government are not bound to demand fresh security under section 68 of the Act and thus wait for about two weeks to see whether such fresh security is offered. Though the Government are not bound to demand fresh security and wait for a reasonable time to see if the mortgagor is really able to furnish fresh security, I have suggested this course as one that may be adopted in case the Government think that there is a reasonable chance of his furnishing such security. After exercising the right of private sale, the Government would be entitled to proceed to recover the balance if any due as if it were an arrear of land revenue under section 18 of the Madras State Aid to Industrie

Madras,
19th November 1928

Advocate General.

Development Department.

O.M.No. 3286 II/28-4 dated 23.11.28

Ref: Para.1 of D.I.'s letter No. 106 A/28, dated 8-11-1928 - fire accident - Bellary Match factory.

~~The D.I. is requested to report~~ whether he received any information on the subject from the Collector of Bellary and also a copy of the ~~insurance policy from Mr. Ramanna.~~

whether he received

The D.I. is furnished with a copy of the Ad. Genl's opinion as to the steps to be taken by the Govt. to safeguard their interests in the matter. He is requested to address the mortgagor at once demanding from security for the debt and if no satisfactory reply is offered within a fortnight then at once serve a as prescribed in S 69 of the Transfer of Property Act. and on the mortgage deed

To the D.I. (with copy of Advocate General's opinion)

23/11

22.xi.

22.xi.

Dev. 4100 II
29.11.28

Received ..... 192 . *Registered* 192

Subject.

State Aid - Muthyala Seenappa Ramanna - notice asking for fresh security.

ENCLOSURES.

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.....

re copies .....

No. 106-A/28

Station Madras, *Dated the* 28th November 1928.

From (*Name*) Khan Bahadur Muhammad Bazl-Ul-Lah Sahib Bahadur, C.I.E., O.B.E., M.L.C.,

(*Designation*) Director of Industries,

To The Secretary to the Government of Madras,

Development *Department.*

Sir,

With reference to Government Memorandum No.3286-II/28-4 dated 23rd November 1928, I have the honour to state that the accompanying draft notice to be given to Mr. Muthyala Seenappa Ramanna, Bellary has been prepared in consultation with the Government Solicitor. As the Government Solicitor considers that it should be signed by a Secretary to Government in accordance with G.O.No. 3482 Law General dated the 11th November 1926, I request that two copies may be made and signed by you and transmitted to me. The date 12th(December) in the draft which may require alteration with reference to the date on which

the notice will reach the party and need not therefore be filled in.

I have the honour to be,
Sir,
Your most obedient servant,

for Director of Industries

sn

No.106-A/28 Dated, ~~December~~ November 1928.

To

M.R.Ry Muthyala Seenappa Ramanna Garu,

Proprietor, Match Factory, Bellary.

Whereas you have executed in favour of the Secretary of State for India in Council an indenture of mortgage dated the 23rd day of September 1927 for the principal sum of Rs 20,000 carrying interest at 6½ per cent per annum And whereas nothing has been paid in respect of the said mortgage And whereas the mortgaged property has been partially destroyed and the security rendered insufficient as defined in Section 66 of the Transfer of Property Act, Now -- therefore take notice that the Secretary of State for India in Council hereby requires you on or before the 12th day of December 1928 to give him another sufficient security for your said debt and in default of your so doing the Secretary of State will take such steps against you for the recovery of the mortgage money as he may be advised.

Yours faithfully,

Secretary to the Government of Madras
Development Department

Development Department.

O.M.No.3286/II/28-3 dated 29/11/28

Ref : D.I.'s letter No.106 A/28 dated 28-11-1928 - notice asking for fresh security - Muthyala Senappa Ramanna

Two ~~signed~~ copies of the notice duly signed by the Secy are forwarded to the D.I. ~~as desired~~. ~~He~~ The DI is requested to serve the notice on Muthyala Senappa Ramanna at once.

RR
29 XI.

29/11

The Director of Industries

with two copies of notice.

29/11/28

Ptd with enclosures.
29/11.

Dr here at once
29/11/28.

Dev. 4246 II
12-12-28

Received ..... 192 . *Registered* 192

Subject.

State Aid to Industries - Match Factory, Bellary - Fire accident - report submitted -

13 DEC 1928
DEVELOPMENT DEPARTMENT

ENCLOSURES.
No .....
.....
Spare copies .....

No.106-A/28.

Station Madras., *Dated the* 8th December 1928.

From (Name) Khan Bahadur M. Bazl-ul-lah Sahib Bahadur, C.I.E., O.B.E., M.L.C.,
(Designation) Director of Industries,

To The Secretary to the Government of Madras,
Development Department.

Sir,

In continuation of my letter No.106-A/28 dated 8th November 1928, I have the honour to forward a copy of a letter dated 13th November 1928 received from the Collector of Bellary together with a copy of a report received subsequently from the Revenue Divisional Officer, Bellary in regard to the fire which occurred in the State aided match factory in Bellary. A perusal of the report would ppear to indicate that the fire was not the result of an ccident and that Mr. Muthyala Seenappa Ramanna is suspecte o be responsible for it. It is not known whether the factory has been inspected by an officer of the Insurance ith what result. I am inquiring of the

P.22.cf

2. The proprietors estimate of the total loss is it will be observed, over Rs.40,000 while the Tahsildar has estimated the loss at Rs.1,000/-. The Divisional Officer suggests obtaining profession opinion in the matter of estimating the extent of the damage to the machinery and refrains from expressing any opinion on the extent of loss incurred in respect of the buildings, stores, etc,. I am therefore asking my Industrial Engineer to visit the factory and report on the extent of damage to the machinery, building, stores etc.

3. In regard to the point touched upon in the beginning of paragraph 4 of the Revenue Divisional Officer's report, I may say that, having regard to the fact that it was a match factory, I had asked the proprietor in September 1927 to have the factory and other properties offered as security insured in the sum of Rs.30,000 As, however, the proprietor demurred to insuring for this amount, I permitted him to effect the insurance for Rs.25,000 as against the figure of Rs.20,000 suggested by him. The recent raising of the figure by the proprietor from Rs.25,000 to Rs.48,000 on his own initiative is probably not without significance in view of the subsequent happenings. Further the factory was insured only on the 20th October i.e. after a month from the date of expiry of the previous policy and the policy reached the proprietor's hands only a few days prior to the fire. In view of these facts it would appear advisable to take steps for summary recovery of the loan even if the fresh security called for is forthcoming.

4. The Insurance Company has written stating that they will withhold payment of money to the proprietors pending further advice from me.

5. The registered notice demanding additional security from Mr.Muthyala Seenappa Ramanna was despatched to him on the 30th November 1928 and the postal receipt signed by him on the 1st December has been filed in my Office.

have the honour to be

Copy of letter No.Ref.B.2. 5957/28 dated 13th November 1928 from the Acting Collector, Bellary to the Director of Industries, Madras.

...

Match factory - Bellary fire accident- cost of -- damages.

Ref:-Your telegram dated 7-11-1928

--

The Tahsildar of Bellary who was directed to enquire and report in the matter states there was a fire accident in the factory on the night of the 4th November 1928. He estimates the loss by fire to be about Rs 1,000. But the proprietor estimates the loss to be about Rs 40,000/- As the estimate of the damages made by the Tahsildar differs considerably from that of theowner, the Revenue Divisional Officer, Bellary, has been requested to take up the inquiry himself and report within three days. A detailed report will be sent immediately after receipt of the Revenue Divisional Officer's reply. I am unable to attend to this myself, As I am in camp in the Hospet division in connection with some urgent work.

...

Copy of letter Ref.C.No.2356/28 dated 25-11-1928 from the Revenue Divisional Officer, Bellary to the Collector of Bellary.

Match factory - Bellary - fire accident - cost of damages - report submitted -

Reference: Your Ref.B.2. 5957/28 dated 13-11-1928.

I received the first information regarding the fire in the factory from the Tahsildar orally on the 10th inst. I inspected the factory the same evening and as it was dark I made a further inspection of the factory on the morning of the 11th instant also. I found disconnected heaps of ashes here and there. The largest heap was at the south-eastern corner of the building. There were a few canvass belts running over pulleys and a few of the canvass covers over the machinery also partially burnt. The proprietor gave me to understand that the fire must have started from a heap of match boxes on the north-eastern side of the building and that the conflagration spread to the other heaps of combustible matter on the floor of the building. He suggested that probably while rats were running over the heap the friction between the sides of the match boxes gave rise to the fire. The explanation is ingenious but I find it difficult to believe it. I am unable to guess how the fire could have spread from one heap to another when they are all at a distance from each other. On the evening of the 10th instant I found everything cold; but on the morning of the 11th instant I found there was a smouldering bundle of papers on one side of the major heap of ashes on the south-eastern corner of the building which I have already referred to. It seemed to me that the fire in the building was being kept up from day to day under careful supervision.

2. The machinery and other implements seem to be unaffected for all outward appearance. I am unable to accept the proprietor's statement that they are unfit for further use. Professional opinion may be necessary to judge the extent of the loss resultin from the fire to the machinery.

The proprietor estimates the value of the papers and

book maintained by him. He also states that there were some other articles namely chemicals etc., which were spoiled on account of the intensity of the heat to which they were exposed. The value of these articles is estimated by him at Rs.1716-15-9. With regard to the machinery and other implements the proprietor states that all these have been seriously damaged owing to their having been exposed to heat. He estimates the damage to these articles at Rs.32000/- He also says that the building in which machinery is set up is also damaged to some extent and estimates the loss on this account at Rs.4000/- The total loss suffered by him according to his estimate is Rs.42712-4-6. The list of the articles that are so damaged is furnished in detail in the statement recorded from the proprietor which is enclosed.

(not sent)

4. The proprietor had insured the factory in October, 1927 for a sum of Rs.25000/- This year he supplemented the machinery and insured the factory as well as the building situated close by it in which he is now living for Rs.48000/- He paid the premimum of Rs.413-13-0 on 26-10-28 and received the policy from the Insurance Company.. The policy obtained by him is said to have been sent to the Director of Industries on 9-11-28 for reference. The proprietor is corresponding with the Insurance company for the payment of the amount for which the factory was insured. The Tahsildar gave me to understand that the proprietor has plenty of other property which can be proceeded against if the loan advanced to him by the Government is not repaid by him and is not recovered by the sale of the factory building and the machinery which has been secured to Government for the loan. The proprietor seemed anxious that we should not in any way interfere in the matter until he had settled his claim with the Fire Insurance Company. The Tahsildar also told me that he had sent you a report. As I thought it desirable to keep you informed of my own views in the matter, I referred to the indident in my fortnightly confidential report sent to

5. The records received with your reference are herewith resubmitted. I also enclose extracts from the General Diary of the Brucepet Police Station for 5-11-28 relating to the occurrence.

Copy of extracts from the General Diary of the Brucepet Police station for 5-11-1928 relating to the occurrence.

Complaint of watchman, Venkatachallam, son of Ramaswami in the Brucepet Police station.

I am the watchman in the match factory of Muthyala Ramanna. Today at about 7 a.m. Muthyala Ramanna told me that the factory has taken fire. We all went and extinguished the fire. I am sent here to inform the police about it. I do not know how it caught fire. Ramayya knows it.

...

Copy of the General Diary of the Station House Officer, Bellary, for 5-11-1928.

...

I visited the match factory of M.Ramappa of B.P. and examined it and found some of the machinery and papers etc., damaged by fire. I enquired the owner M.Ramappa and he states that the fire is an accidental one that it might have been caused either by the rats throwing down the match sticks from the machinery or by the match sticks themselves falling down over the prepared match boxes, that the damaged caused by the fire will be about Rs 40,000 and that he suspects none etc. ... His statement is herewith attached.

...

Copy of the Circle Inspector's remarks on this.

Do you think it is an accident or the owner is responsible because he borrowed a lot of money from Government in aid of this factory

Sd.Venkataswami Naidu
6-11-1928

I suspect that the owner is responsible as suggested by the Inspector and I don't think it is

Development Department.

O.M.No.3286/II/128-6 d. 18-12-28

Refce: D.I.'s letter No.106-A/28
d. 8-12-1928.
State aid to Industries -
Match Factory - Bellary.

Dr here at once
Ices 18/12

expatched
18/12

The notice ~~was~~ demanding fresh security was served on the proprietor on the suggestion of the Advocate-General but the Government agree with the D.I.'s consider that, whether fresh security is furnished or not, another notice demanding payment of ~~money~~ loan within three months as contemplated by ~~sec: 69 of the Transfer of Property Act~~ the mortgage deed should be served on the proprietor immediately after the expiry of 14 days from the date ~~when~~ of service of the first notice ~~was served.~~ The D.I. is requested to issue the notice at once in consultation with the Government Solicitor.

Ices 18/12/28

RR 18.XII.

To the Director of Industries.

INDUSTRIES DEPARTMENT.

31.1.29.

Received ..... 192 . *Registered* ..... 192 .

Subject.

State Aid - Notice to Mr. Muthyala Seenappa Ramanna - Bellary

31 JAN 1929
INDUSTRIES DEPARTMENT

ENCLOSURES.
No .....
.....
Spare copies .....

No. 10-A/29

Station Madras, *Dated the* 28th January 1929.

From (Name) Khan Bahadur Muhammad Bazl-ul-lah Sahib Bahadur C.I.E., O.B.E., M.L.C.,

(Designation) Director of Industries

To The Secretary to the Government of Madras,

Development Department.

Sir,

With reference to Government memorandum -- No.3286-II/28-6 dated 18th December 1928, I have the honour to forward herewith a draft notice to Mr. Ramanna drawn up by the Government Solicitor and request that two copies thereof may be signed by you and transmitted to me for service on the party.

I may mention in this connection that the replies to the former notice received from Mr. Ramanna and his advocate (copies enclosed for perusal) were communicated to the Government Solicitor and he has advised that the

the

p. 26 supra

p. 29 supra

p. 17 supra

present notice drafted by him may be served without modification.

I have the honour to be,

Sir,

Your most obedient servant,

for Director of Industries.

S.K.R.28-1.

Dated January 1929

M.R.Ry. Muthyala Seenappa Ramanna Garu

Match Factory, Bellary.

WHEREAS you have executed in favour of the Secretary of State for India in Council an Indenture of mortgage dated the 23rd day of September 1927 for the principal amount of Rs.20,000/- carrying interest at 6½ per cent per annum AND WHEREAS you have failed to pay the 1st instalment of Rs.1815-0-0 due and payable by you on the 1st day of October 1928 and have also failed to comply with the terms of the notice dated the 30th November 1928 and served on you on the 1st December 1928 AND WHEREAS the Secretary of State for India in Council is desirous of exercising the power of sale conferred upon him by the Indenture of mortgage aforesaid The Secretary of State for India in Council hereby gives you notice that you are required forthwith to pay off the moneys owing to the Secretary of State by virtue of the Indenture aforesaid and further gives you notice that unless the same be paid to the Secretary of State on or before the expiration of three calendar months from the date of service upon you of this notice The Secretary of State will proceed to exercise the power of sale conferred upon by him by the said Indenture of mortgage and sell the properties comprised in the said Indenture.

Copy of letter dated 21-12-1928 from Muthyala Seenappa Ramanna Match Factory Bellary, to the Director of Industries.

In acknowledging with thanks the receipt of 2 copies of a notice sent with your letter No.106-A/28 dated 30-12-1928 I beg to return herewith the duplicate copy of the same with my signature.

In reply I beg to state that among the mortgaged property (1) the big Bangalow costing about Rs.6000/- (2) the Engine costing about Rs.3500/- and (3) a big plot of land in a good locality costing about Rs.2000/- and some of the small machines were not at all affected by fire. And (1) the Factory building costing about Rs.5000/- has not been damaged much and the Insurance Company are offering Rs.500/- for repairs.

Besides I have insured the factory for Rs.48,000/- and I have kept the policy with you. The Company is offering Rs.5,000/- in all for repairs and stock, and I am demanding Rs.29,800/- as some big machines can not be repaired. The correspondence is going on with the company and I hope it will be settled soon. When it is settled the amount realised from the company will first be paid towards the Government loan. I am quite prepared to write to the Insurance company to that effect.

I therefore beg to request you to kindly address the Government to postpone taking steps against me for the recovery of the mortgage money until the account is settled with the Insurance Compa

Copy of notice dated 30th November served on M.R.Ry. Muthyala Seenappa Ramanna Garu, Proprietor; Match Factory, Bellary. from the Secretary to the Government of Madras, Development Department.

Whereas you have executed in favour of the Secretary of State for India in Council an indenture of mortgage dated the 23rd day of September 1927 for the principal sum of Rs.20,000/- carrying interest at 6½ per cent per annum and whereas nothing has been paid in respect of the said mortage And whereas the mortgaged property has been partially destroyed and the security rendered insufficient as defined in Section 66 of the Transfer of Property Act, Now therefore take notice that the Secretary of State for India in Council hereby requires you on or before the 16th December 1928 to give him another sufficient security for your said debt and in default of your so doing the Secretary of State will take such steps against you for the recovery of the mortgage money as he may be advised.

Copy of letter dated 28th December 1928 from B. Bhima Rao Esq., B.A., B.L., Advocate, Bellary to the Director of Industries.

I have been instructed by Muthyal Seenappa Ramanna of Bellary to send the following reply to your notice dated 30th November 1928, in continuation of the reply already sent by him on the 21st instant.

II. My client respectfully submits that the Government should not hold that the security has been rendered insufficient as defined in section 66 of the Transfer of Property Act because to the extent that the machinery has been damaged, it is covered by the Policy of insurance with the New India Assurance Company, which is comprised in the security in accordance with clause 2 of the Mortgage Deed. To the extent that the machinery is not damaged, the original security remains in tact and the Government, would be entitled to realize the full value of such undamaged security. Hence the total value of the original security remains the same.

III. Since the Government has the benefit of the Insurance Policy, which it can enforce against the company in accordance with the last clause of the mortgage-deed dated the 20th day of September 1927, and since the Insurance Company is now quoting a very low figure towards the damage caused to the machinery by fire, it would be in the interests of Government to take up the matter of the ascertainment of proper amount of damages against the Insurance Company and enforce it themselves. If the Government should take up this matter, the Insurance Company will be obliged to pay up the full value of the machinery to the Government expeditiously, without delay.

IV. My client is contending that the machinery is practically useless and claiming the full sum from the Insu Company. If necessary, he will submit copies of the correspondence that has passed between them. At present a copy of the final notice issued to the company is sent herewith.

the Government would agree that, in the

deemed to be insufficient within the meaning of section 66 of the Transfer of Property Act, and that they would be pleased to make a demand on the New India Assurance Company for the full value of the machinery damaged and enforce the claim against the company themselves. In accordance with the terms of the policy, the suit will have to instituted within three months, Hence it is requested that the Government may be pleased to take action expeditiously.

Copy of letter dated 28th December 1928 from B.Bhima Rao,Esq B.A., B.L., Advocate, Bellary, to the New India Assurance Co., Ltd., No.6, First Line Beach, Madras.

Claim under Policy No.48291 - Fire Department.

I have been instructed bymy client Mythyal Seenappa Ramanna of Bellary to send the following final notice to you with regard to the claim made by him in connection with the above policy

II. You have not given the qualifications of Mr. Lockley and my client cannot accept the estimate of the damage to the machinery as assessed by him, which is ridiculously low. The machinery has been completelydestroyed, lost temper, and is useless for practical purposes. Hence you are required to pay the full sum of Rs.29,862-10-3 as claimed in the statement sent along with the notice issued to you by Messrs. K. Venkata Rao and K. Ramachender on the 10th instant. This sum is made up of Rs.27,188-15-9 which represents the total amount of loss to the machinery and Rs.2,673-10-6 which represents the damage to the factory building and the stock as admitted by you.

III. If you do not pay the above amount within a week from this date, my client will be obliged to institute a suit for the recovery of the above amount for the costs of which you will be liable.

IV. My client will be agreeable, if, in accordance with clause 14 of the conditionsof the policy you replace the machinery that has been destroyed, by new machinery of the same make and gurantee its proper working with regard to quality quantity and continuous service as in the case of the original machinery. But this must be done within 2 (two) weeks at least, as the match factory is not being worked since the 5th November last.

If no reply is received within a week from this date civil suit will be filed as mentioned above.

Dev Dept.

OM No 3286 II/28-7 d 1.2.29

Refer: D-1's letter. No 10 A/29 d 28-1.29 — Stamp duty to Indulgis - Belley-Hotel match Factory - notice to be served on proprietor

Two copies of the notice duly signed by Secy: are forwarded to the D-1. The Director is requested to serve the notice on Mr: Muthyala Seenappa Ramanna at once.

RR 31.1.

D.M.

Despatched with enclosures. 1/2/29

Dr for Secy 1/2/29

Secy 31.1.29

To the D-1. with two copies of the notice signed by Secy:

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Dated 1929.

To

M.R.Ry. Muthyala Seenappa Ramanna Garu,

Match Factory

Bellary.

WHEREAS you have executed in favour of the Secretary of State for India in Council an Indenture of mortgage dated the 23rd day of September 1927 for the principal amount of Rs.20,000/ carrying interest at 6½ per cent per annum AND WHEREAS you have failed to pay the first instalment of Rs.1815-0-0 due and payable by you on the first day of October 1928 and have also failed to comply with the terms of the notice dated the 30th November 1928 and served on you on the 1st December 1928 AND WHEREAS the Secretary of State for India in Council is desirous of exercising the power of sale conferred upon him by the Indenture of mortgage aforesaid The Secretary of State for India in Council hereby gives you notice that you are required forthwith to pay off the moneys owing to the Secretary of State by virtue of the Indenture aforesaid and further gives you notice that unless the same be paid to the Secretary of State on or before the expiration of three calendar months from the date of service upon you of this notice The Secretary of State will proceed to exercise the power of sale conferred upon him by the said Indenture of mortgage and sell the properties comprised in the said Indenture.

Yours faithfully,

Secretary to the Government of Madras,
Development Department.

By order and direction of the
Governor acting with Minister
for and on behalf of the mortga
the Secretary of State for I

Dev 791 II
2-3-29

Muthyala Seenappa Ramann
Match Factory, Bellary,
Dated 28th February 1929

To
The Government
The Secretary ~~to~~ of Development-Dept,
Govt of Madras. Madras

Respected Sir,

In reply to the notice from the Government of Madras (Development Dept) requiring me to repay the Government loan in whole within 3 months, I most humbly beg to state as follows:-

(1) After I applied for the postponement of the first instalment of the loan, the factory cought fire accidentally, and the contents of it ~~xxxx~~ including machinery, papers, chemicals, finished match boxes etc. are burnt and therefore I am not going to work the Factory.

(2) I have insured the Factory against fire accidents in the New India Assurance Company Limited, and now I am claiming the amount from them. I have kept the policy with the Director of Industries, Madras. The company too accepted that the fire took place accidently and are offering a low sum for damages. Now it is decided by both the parties that the matter should be settled in the arbitration and I am making arrangements to hold it as early as possible. As soon as it is settled in the arbitration I will remit the whole amount into the Government Treasury and submit the chalan to you without delay.

(3) Therefore I most respectfully beg to request you to kindly postpone taking action against me to collect the amount, untill the matter is settled in the arbitration.

(4) I am herewith enclosing the copies of correspondence with the company for perusal.

Yours obediently,

Muthyala Ramanna

27-29

The

New India Assurance Co.

Fire - Marine -

Policy No.48291. Sum 1.
Premium - Rs.
Less 2½% for fire extin
appliances.

This Policy of Insurance with
Ramana Esquire Bellary hereinafter
to the New India Assurance Company L.
the company the sum of Rupees hundred
thirteen only (Rs.414-13-0). Insuring aga
by fire or Lightning as hereinafter, the pro
described in the sum or several sums following na

RUPEES FORTY-EIGHT THOUSAND ONLY.

1. On the building of the Insured Match Factory
walls of stones and Morter with roof of zink sheets
trusses situated near Durgamma Temple in the Civil
No.1355 Ward, Brucepetta, Bellary.

2. On the building of Engine house having wall
and morter with tiled roof on teak wood rafters s
attached and communicating with the factory buildi

3. On steam engine with Boiler Machinery softing
girders and belts whilts contained in the above d
buildings.

On chemicals, papers, lables and stock of ma
the factory.

5. On the building of the Insured's Bungalow be
and having walls of stones and morter with roof pa
raced and partly tiled on iron girders situated
the compound of the above factory at a distance
40 feet there-from and occupied solely as

Each item of this policy
ion of overage princ

Warranted during the currency of this Policy:-

1. That no part of the bungalow be used for the storage or deposit and merchandise.

2. That no artificial light be used in the factory except for watch men on their rounds and then only in well protected lanterns.

3. That no hazardous goods except such as those ordinarily used in match manufacturing be stored in the factory and that all sweepings be removed therefrom daily.

4. That there are no kutcher sheds or native huts within 50 feet of the premises; that the doors and windows thereof be kept closed at nights, and that smoking and cooking are strictly prohibited in and around the said premises except in places specially set apart for such purposes only.

5. That no hazardous goods be stored in the open compound with in 100 feet of the bungalow.

ENDORSEMENT.

The under noted appliances for the extinction of fires being kept on the premises and it being declared and understood that there is an ample and constant water supply with sufficient pressure available for the same at all seasons of the year, it is hereby warranted that the said appliances shall be maintained in effecient working order during the currency of this policy by reason whereof a discount of 2½% is allowed X on the premium chargeable under items 4th of this policy.

APPLIANCES.

12 buckets (10" X 12") in the factory and engine room of 4610 Squire feet.

(Sd)

The company hereby agrees with the Assured (but subject to the conditions on the back hereof which are to be taken as part of this policy, and to such other conditions as are hereinafter

or lightning after payment of the premium, at any time between the Twentysixth day of October 1928 and four O'clock (standered time) in the afternoon of the Twentysixth day of January 1929 or before four O'clock (standered time) in the afternoon of the last day of any subsequent period in respect of which the Assured shall pay to the company and it shall except the sum required for the renewal of this Policy, the Company will pay or make good all such loss or damage to an amount not exceeding in respect of matter or each of the matters above specified the sum set apposite thereto, and not exceeding in the whole the sum above mentioned.

In witness where of the undersigned being duly authorized by the Directors of the Company and on behalf of the Company has hereunto set his hand at Madras this thirteenth day of October 1928.

(Sd)

Branch Manager.

(True Copy)

Copy of Telegram No. Nil dated 5-11-1928, ~~fromx~~12 A.M. to Niasurance, Madras., from Muthyala Ramanna.

Match Factory Caught Fire Found this morning everything burnt.

(True Copy)

Copy of Telegram No. Nil dated 6-11-1928 from Madras; to Muthyala Ramana, Bellary. Your telegram please write to-day details of approximate damage.

Insurance.

POST AND TELEGRAPHS.

A.R. Receipt for Inland or Foreign Telegram.

The charges entered upon this form have been duly paid in respect of the telegram indicated by number.

The sum stated includes extra charges, if any, - paid for Reply, Delivery, etc.,

Should any reference become necessary, the product of this within seven days of the date of its despatch- thereafter Complaints respecting this telegram and applications for Refund involving complaints against the service should be addressed to the Director-General of Posts and Telegraphs, Traffic Branch, Calcutta, within two months in the case of an Inland and five months in the case of a Foreign telegram. Applications for refund which do no involve complaints against the service should be addressed to the Deputy Account-General, Telegraph Check Office,

THE NEW INDIA ASSURANCE COMPANY LTD.

FIRE MARINE ACCIDENT

No.6. First Line Beach

Post Box 270
Telephone 3343.

F i r e - Dept. MADRAS. 8th November 1928.

Muthyala Ramanna Esq.,
Proprietor, Match Factory,
Brucepet, Bellary.

Dear Sir,

Claim under Policy No.48291.

We are in receipt of your telegram of the 7th instant, and note that the approximate loss under the above policy is Rs.44,000/-.

We enclose herewith a claim form and shall be obliged if you will kindly return same duly completed by return of post together with your detailed advices as to the origin and exact cause of the fire.

Yours faithfully,

/Sd/ xxx
Branch Manager.

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B e l l a r y,

Dated 12th November 1928.

From

Muthyala Seenappa Ramanna Match Factory,

B E L L A R Y.

To

The New India Assurance Company Ltd.,

No. 6 First Line Beach,

Post Box No.270, MADRAS.

Dear Sirs,

Ref: Your letter of the 8th November 1928 and claim under Policy No.48291.

In enclosing herewith the claim form duly filled in I beg to state that when my brother, who was maintaining all my accounts, rushed into the Factory to extinguish the fire he received burns on his legs and he is now under treatment and so there was some delay in - sending this claim form.

I will send you a bill for his treatment and for the expenditure incurred in extinguishing the fire - lateron.

I hope you will kindly make arrangements to pay me the claim as early as possible.

I remain,
Dear Sirs,
Yours faithfully

(Fire Department)

THE NEW INDIA ASSURANCE COMPANY
(Incorporated in India,
Head-Office:-- Bombay.

Claim under Fire Pol.

I, Muthyala Ramanna, Proprietor Muthyala Sec. Match Factory, Bellary, holding the above mentioned Pol New India Assurance Company Limited, do hereby declare about 6-30 or 7 A.M. on the 5th day of November 1936 a occured as follows:---

(State the portions of the risk in the fire commenced and to which it spread and give the full address and situation of the premises).

At about 6-30 or 7 A.M. on 5-11-1 smoke issuing from the South Eas of the Factory where the peeling was kept. I at once went to the the Factory with others and enter Factory after opening the main found the inside of the Factory smoke. Everything had been burn some articles which were still b near the peeling machine. e pu fire

And that the said fire was occasio best of my knowledge, and belief by, through or incons unknown accident.

I Further declare that at the time the premises involved were occupied for the following Manufacturing Matches.

I further declare that the actual r value of the property insured under each separate item o policy under which this claim is made, was at the time of the

Item Nos. 1 and 2	..	..	Rs. 4000 0 0
Item No. 3	..	..	35000 0 0
Item No. 4.	..	..	3712 4 6 an

that I was the sole owner of the said property, no other person having any interest in the same, except (state here the nature o other interest e.g., Mortgagees, Lessee etc..-if any) SECRETARY OF STATE FOR INDIA, Mortgagee.

I also further declare that the following is a true complete statement of all insurances covering loss and or damage by fire which have been effected upon the said property:-

Amount.	Company.	Policy No.
Rs. 48,000/-	New India Assurance Co.Ltd.	48291.

Note: If there are insurances with offices other than the "xxx "NEW INDIA" full copies of all policies must be attached. Nil.

I do hereby solemnly and sincerely declare that the details appended hereto, are a full, true and correct statement of the loss, sustained by me on the property insured by the above - - policy in consequence of the above said fire, amounting to the sum of Rs.42712-4-6 and that the amounts claimed, in respect of each and and all of the several articles or items of the art damaged or - destroyed, constitute their value at the time of the loss or damage [illegible] profit of any kind.

F MACHINERY AND THEIR ACCESSARIES THAT HAVE BEEN HAVE BECOME USELESS BY BEING HEATED IN MUTHYALA ATCH MANUFACTORY WHICH TOOK FIRE ON 5-11-1928.

achinery.

.o.	Description of the machinery.	Details of original cost and other charges incurred from the places of manufacture to the claimant's Match Factory at Bellary.	Remarks.
1.	2.	3.	4.
1.	Digging machine with Aluminium chain of 80 to 90 yards in length.	R.10,248- 4-10	These have been damaged by fire and have become brittle, have lost temper and cannot therefore be repaired. Knives and springs have also been damaged partly by fire and partly by heat, ar have therefore become useless. In the cas of the first machin aluminium chain har become completely less.
2.	Sealing machine ..	" 4,646- 4- 0	
3.	Splint chapping .. machines ..	5,708- 4- 0	
4.	Extra parts sent with the above machines.	116- 8- 5	
5.	Three belts used for working 1,2,3, machineries of which ~~xxx~~ two ub-		the partly heate

Details of claim for property destroyed or damaged as required by the conditions of the Company's Policies.
N.B: A Fire Insurance Policy is a contract of INDEMNITY only, any claim must be based upon the actual value of the goods or property at the time of the loss or damage, not including profit of any kind.

When arriving of net amount to be claimed, care should be taken to credit the company with the value of any salvage remaining.

Item of Policy.	Description of property claimed for - in detail.	Amount insured there on in "NEW INDIA".	Market value at time of fire.	Market value after fire.	Amount claime
1 & 2.	Match Factory Building and Engine House Building.	Rs.4000/-	Rs.4000/-	...	Rs.4000/-
3.	1. Peeling machine.				
	2. Splint Chapping machines.				
	3. Dipping Machine.				
	4. Outer Box Machine				
	5. Inner Box Machine.	35000/-	35000/-	..	35000/-
	6. Splint Selecting Machine.				
	7. Side painting - Machine.				
	8. Ball Mill.				
	9. Cooking Mill.				
	10. Levelling Machine				
	11. Cleaning and Polishing Drum.				
	12. do. do.				
	13. Box closing and labelling machine.				
	14. Veener Chapping machine				
	Softing.				
	Belts.				
	Engine & Boiler.				
	Pullies				
	Girders				
	Carried Forward:	Rs.39000/-	Rs.39000/-		Rs.39000/-

(Sd) M. Ramanna.

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Details of claim for property destroyed or damaged as required by the conditions of the Company's Policies.

N.B: A Fire Insurance Policy is a contract of INDEMNITY only any claim must be based upon the actual value of the goods property at the time of the loss or damage, not including profit of any kind.

When arriving of net amount to be claimed, care should be taken to credit the company with the value of any salvage remaining.

Item of Policy.	Description of property claimed for in detail.	Amount insured thereon in "NEW INDIA".	Market value at time of Fire.	Market value after fire.	Amount claimed.
4.	Chemicals.	B.F. Rs.39000/-	Rs.39000/-	...	Rs.39000/-
	Papers.				
	Lables.	6000/-	3712-4-6	..	3712-4-6
	Finished Match Boxes				
	Total.	Rs. 45000/-	Rs.42712-4-6	..	Rs.42712-4-6

(Sd) M. Ramanna,

12-11-X

(True Copy)

I do hereby further solemnly and sincerely declare that I have not either directly or indirectly, proximately or remotely caused the said loss, or by connivance, fraud or misrepresentation sought to benefit thereby. And I make the foregoing solemn declarations conscientiously believing same to be true, the 12th day of November 1928.

Witness: (Sd) Balay Kotrappa,

Age: 43.

Address: Merchant, Bellary.

Date. 12-11-1928.

Signature of
the assured. (Sd) M. Ramanna,

Address: Proprietor, Muthyala
Seenappa Ramanna Match
Factory, Bellary:
12-11-1928.

S.No.	Description of the machinery.	Price at the place of manufacture and charges incurred for bringing them to the Factory.	Remarks.
1.	2.	3.	4.
1.	Splint selecting machine	Rs. 325- 0- 0	This was burnt, has become brittle, and has lost its temper.
2.	V.P. Charges ..	325- 6- 0	
3.	Railway freight from Calcutta to Bellary, unloading and carting charges at Bellary.	". 20-0- 0	
4.	Two belts one of leather and the other of rubber..	Rs. 20- 0- 0	
	Total	.. Rs.368-4-0	

MACHINERY MADE AT BELLARY AND THE ARTICLES BOUGHT LOCALLY:-

1.	Veener chopping machine including skillet chopping machine, inner drawer skillet chopping machine, and outer veener chopping machine ..	Rs. 200-0-0	These were partly burnt and have become brittle; and their temper is gone.
2.	Twelve dies with tops and 15 spanners ..	" 200-0-0	
3.	3 Blades for the reeling machine.	,, 43-8-0	
	Belt bought locally to connect the engine with the main shafting inside the machinery building ..	,, 100-0-0	This has been partly burnt and otherwise heated and has therefore become useless.
	Total ..	Rs. 543-8-0	

(True Copy)

S.No.	Description of the machinery.	Their cost.	Remarks.
1.	2.	3.	4.
	Other charges: Charges incurred for		
	1. Wages of the coolies employed for extinguishing the fire. ..	Rs. 28 -0-0	
2.	Doctor's fees and other medicine charges incurred for curing the serious burns on the persons of Neelakantappa to save him from death. ..	Rs.200 -0-0	
	Total	Rs.228- 0-0	

Grand total of all the losses sustained by Mr. Muthyala Ramanna under the fire at his Match Factory.	Rs.27,188- 15- 9.
Add the amounts admitted by the New India Assurance Company, for the Factory building, and for burnt stock.	Rs. 2,673- 10- 6.
The actual amount now claimed	29,862- 10- 3.

(True Copy)

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THE NEW INDIA ASSURANCE COMPANY LIMITED.

FIRE MARINE ACCIDENT.

Telegrams-Niasurance
Code-Bentley's

No. 6, First Line Beach

Post Box
270.
Telphone.
3343.

F i r e : Dept. M A D R A S. 19th November 1928.

Muthyala Ramanna Esq.,
Proprietor, Match Factory,
Brucepet, Bellary.

Dear Sir,

Claim under Policy No.48291.

We have to inform you that we have authorised Mr. W.Hugh Lockley of Madras, to survey the loss and /or damage done to your Match Factory as a result of the Fire that occurred on the 5th instant.

Mr. Lockley will be leaving Madras tonight and on his arrival, we shall thank you to permit him to enter the premises for the purpose of doing the survey and assist him with the information that he may require.

Thanking you,

Yours faithfully,

/Sd/ xxx
Branch Manager.

Bellary.
Dated 12th November 1928.

From

Muthyala Seenappa Ramanna Match Factory,
Bellary.

To

The New India Assurance Company Ltd.,
No.6 First Line Beach,
Post Box No. 270, Madras.

Dear Sirs,

Ref: Your letter of the 8th November 1928 and claim under Policy No.48291.

In enclosing herewith the claim form duly filled in I beg to state that when my brother, who was maintaining all my accounts, rushed into the Factory to extinguish the fire he received burns on his legs and he is now under treatment and so there was some delay in sending this claim form. As the printed form which you sent was spoiled by my clerk, I got the same typed and sent.

I will send you a bill for his (my brother's) treatment and for the expenditure incurred in extinguishing the fire lateron.

I hope you will kindly make arrangements to pay me the claim as early as possible.

I remain,
Dear Sirs,
Yours faithfully,

Proprietor.

THE NEW INDIA ASSURANCE COMPANY LIMITED.

FIRE MARINE ACCIDENT

Telegrams-Niasurance
Code-Bentley's

No.6, First Line Beach.

Post Box 270
Telephone 3343.

F I R E - Dept. M A D R A S. 26th November 1928.

Muthyala Ramanna Esq.,
Proprietor, Match Factory,
No 1355, Ward 1.
B E L L A R Y.

Dear Sir,

Claim under Policy No. 48291.

Mr. Lockley who surveyed the factory recently, advises us that half the roof of the engine house is covered with tiles on bamboo rafters and the other half on teak and country wood reapers. But, when your brother - Mr. Neelakantappa had been here last month to renew the insurance on your match factory, he advised us that the engine room was a pucca building with tiled roof on teak-wood rafters only, and when we asked him whether there were any bamboo rafters, he definitely ~~xxxxxxxx~~ assured us that there were none. The policy was worded accordingly, and the policy should have been returned to us immediately for alteration if the description of the - engine room was incorrect.

If the alteration had been carried out later, that fact should have been communicated to us before the occurrence of the fire, and our permission obtained by an endorsement on the policy. We shall be pleased to have your advices as to why you have failed to do so.

Yours faithfully,

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Bellary.

2nd December 1928.

From

K.Venkatarao Esq.,
First Grade Plead
and
K.Ramachendar Esq.,
Barrister,
BELLARY.

To

The Branch Manager of the New India
Assurance Co., Ltd., Madras.

Dear Sir, Claim under Policy No. 48291.

We are instructed by Mr.Muthyala Ramanna, Proprietor of the Match Factory at No.1355, 1st Ward of the Bellary Town, to acknowledge the receipt of your letter dated the 25th November 1928, and to reply as follows:-

1. You say that my client's brother Neelakantappa represented to you when he came to Madras for renewing the above Policy, that the engine room was a pucca building with a tiled roof on teakwood rafters only; and that this statement was - found to be erroneous when Mr. Lockley surveyed the Factory - recently on your behalf and informed you that there were bamboo rafters; and you now require my client to render explanation for the erroneous statement made by my brother Neelakantappa.

2. May we know if any statement ~~made by my brother~~ had been taken in writing from Mr.Neelakantappa? If no statement has been recorded, we are instructed to submit that Neelakantappa did not know English and he must have spoken to you in Telugu which is his mother ~~tong~~ tongue. In Telugu, rafters as well as laths covering over them to enable the tiles to be fixed over them, are all called by a single word Jantha-atteelu which word includes rafters and laths; and the word ~~m~~ been mistranslated or misunderstood in your office.

3. The Policy consists of five items which ar

a) the match Factory building insured for Rs

(d) Chemicals, papers, labels, and stock of matches in the Factory - Rs. 6000/-,
(e) the dwelling bungalow of Mr.Muthyala Ramanna, Rs.3000/-.

4. Of the five items above noted, the 2nd item (the engine house building) has not been affected by the fire in the least; nor the item No.5, the dwelling house. Mr.Lockley obtained my client's consent that item No.1 (the engine building) will be removed from the claim.

5. In the engine-house the bamboo rafters seem to have been found with teakwood laths covered over with tiles, not been burnt nor in any way affected by fire; and this engine house has been insured by only Rs.500/-. Hence my client's present claim has nothing to do with the engine-house.

6. At the end of the detailed discription of the properties insured as above noted, there is an express proviso entered therein which reads as follows:
"Each item of this Policy is separately subject to the usual "condition of average printed on the back hereof."

7. At the end of the Policy also there is a statement to the effect that "the Company will pay or make good all such "loss or damage to an extent not exceeding in respect of the "matter or each of the matters above specified, the sum set - "apposite thereto". This para applies to my client's claim - regarding the items (a) (c) & (d).

8. The Conditions printed on the back of the Policy which ought to be accepted as material conditions affecting the, Policy itself, contain the following expressions.

(a) In the first condition it is stated "that if there be any material misdescription of any of the property hereby insured or of any building in which property is contained, or any misrepresentation as to any fact material to be known in estimating the risk the Company shall not be liable upon this Policy so far as it relates to property affected by such misdescription."

This condition does not affect my client's claim regarding the engine house building.

(b) The seventeenth condition lays down that "every "item, if more than one, of the Policy, shall be separately "subject to this condition." The two important conditions above quoted do not in the least degree affect our client's - present claim.

9. In the condition No.13 it is laid down that "if the "claim be rejected and an action or suit be not commenced with-in "three months after such rejection. all "benefit under the Policy shall be forfeited." e therefore request you to settle our client's claim at your earliest - - convenience.

10. Our client has obtained State Aid from Madras Government to the extent of R.20,000/- and has mortgaged the match Factory under a registered mortgage-deed dated 23rd September 1927. He has reported the occurrence of the fire to the Director of Industries and he is being required to report the progree of his claim under the Policy in question. This is an additional ground for my client requesting you to settle his claim at your earliest convenience.

Yours faithfully,

(Sd) K.Venkata Rao,

(True Copy)

THE NEW INDIA ASSURANCE COMPANY LIMITED.

FIRE MARINE ACCIDENT

Relegrams-Naisurance
Code-Bentley's

No.6, First Line Beach.

Post Box 370.
Telephone 3343.

F i r e Dept. M A D R A S. 5th December 1928;

Messrs. K. Venkata Rao,
First Grade Pleader &
K. Ramachender, Barrister,
B E L L A R Y.

Dear Sirs,

CLAIM UNDER POLICY NO.48291.

We have for acknowledgment your letter of the 2nd instant, in the above connection, for which we thank you and have carefully noted your remarks.

In reply we have to inform you that, only on the verbal assurance of the Insured's brother that the Engine - House was pucca built, that the risk was charged at first - class rate. As the Engine Room and Factory proper communicate with one another, both these buildings and their contents will have to be treated as second class and charged accordingly, as the Engine House has a tiled roof on bamboo rafters. The difference in premium comes to Rs.137/2/0 and it is only for this reason that we wrote to your client on the 26th ultimo There is no question of the repudiation of the claim.

Mr. Lockley has now submitted his survey report, and assessment of the damage to the buildings, machinery and stock sustained by the fire, is Rs.4803/10/6 as detailed below:-

Factory Building	Rs.	500	0	0
Machinery	,,	2130	0	0
Stock.	,,	2173	0	6
	Rs.	4803	10	6

We shall be pleased to forward our cheque for this amount, less the difference in premium due to us, on hearing from your client, provided the Director of Industries is - - agreeable to same.

We await your advices.

Yours faithfully,

/Sd/ xxx

Branch Manager.

(True Copy)

Bellary.

15th December 1928.

From

K.Venkata Rao Esq.,
First Grade Pleader,
and
K.Ramachender Esq.,
Barrister, Bellary.

To

The Branch Manager of the New India Assurance Company Limited, MADRAS.

Dear Sir,

CLAIM UNDER POLICY NO.48291.

1. We have to acknowledge your letter of the 5th instt. and we have noted its contents.

2. Regarding your remarks about the so-called mis-statement of Ramanna's brother Neelakantappa, you say that "the engine room and the Factory proper building communicate with one "another both these buildings and their contents were treated as second class and that as the engine room has a tiled roof "on bamboo rafters, our client has to pay you Rs.137-2-0 more," this claim of yours is unjust. If Mr.Lockley had observed the Factory properly it would not have given you wrong information regarding the engine building as having communication with the Factory building.

3. We do not know, if Mr.Lockley is a mechanical and electrical Engineer holding any Diplomas or Licenses and has ever valued or appraised delicate and intricate machineries that are used in Match Manufactories, Spinning Mills, and Ginning Factories. If he holds any such Diplomas or Licenses kindly let us know which university or Institute in Europe or America or even in India granted him such certificate, and they were so granted, when did he got them A valuer or appraiser has got a serious duty to use the skill which his undertaking requires, and to do the work with reasonable care and diligence.

4. So far as his work at Bellary is concerned

viewing such of the machines as were pointed out to him by our client as having been burnt or damaged, and that he noted with pencil something in his note book and left the Factory just before 2 P.M. He asked our client to give the cost-values of the machine and other articles that have been damaged and noted that information also in his note book,. He did not test even a single article by any other process except viewing them.

5. My clients are prepared to prove that his valuation is most cursory and ridiculously low, thereby exhibiting lack of skill, care, diligence, and patience; and his valuation is thoroughly inaccurate and completely useless.

6. The engine room is a complete structure in it self, and only 13 feet of it form the party- wall with the northern wall of the Factory building measuring 104 feet. It has got a small door way leading into the Factory building, but the door is generally kept shut unless the fitter in charge of the engine requires any instructions from the fitters in charge of the machinery. There is an aperture at the top of the party-wall which carries the belt from the Engine to the main shafting of the machines.

7. Your remark which is worded as "the Engine room and the Factory proper communicate with one-another and both these buildings and their contents will have to be treated as second class" is based on a thorough wrong information given to you by some-body who has n got little knowledge of our client's buildings. Your claim for Rs.137-2-0 is improper and our client declines to pay it.

In your letter you say that "Mr.Lockley has submitted "his Survey Report and his assessment of the damage to the "buildings, machinery, and stock is Rs.4803-10-6 as detailed below.

Factory building -	Rs.	500/-
Machinery -	"	2130/-
Stock		2173-10-6

delicate machines used in Match Factories as well as in other Factories wherein delicate machineries are used. His valuation also exhibits that he knows little or nothing about the Match Machinery and if otherwise, he has given ridiculously low values with the apparent intention of - wrongfully benefitting your company.

10. Begging pardon for utilizing our personal experience and knowledge, one of us (Venkata Rao) has, for the last 40 years, got the experience of pressing and ginning factories, five in the Ceded Districts, and three in the Bombay Presidency and four in the Central Provinces. He was also the Proprietor of the Bellary Spinning and Weaving Mill from October 1910 to October 1914, and he has (giving up his profession), devoted his whole time and worked it emperically as a mechanical Engineer,. ~~The second~~ of us (Ramachender) has, during the last 8 years, been working (giving up his practice) the Brick and Tile Factory, Ice Factory, Foundry for casting the small machinery necessary for cotton ginning and pressing Factories;

11. With the help of our old and experienced Engineer one of us (Venkata Rao) spent one full day in our client's - Match Factory, took details of the articles burnt or otherwise damaged, examined the original bills, and regularly maintained accounts of our clients, and has prepared a complete and detailed statement of the damaged machinery, their parts, and other accessories. A copy of it is herewith sent for your perusal.

12. We have advised our client to accept Rs.500/- for the damage done to a small portion of the Factory building and portions of the walls on the eastern and southern side of it. We have also advised our client to accept your valuation of Rs.2173-10-6 for the damaged stock.

13. We seriously challenge your valuation of Rs.2130/-

of the damage done to the machinery and its accessories and the actual costs incurred in getting them from America, Sweden, Bombay, and Calcutta, as well as for small articles prepared at Bellary; and the total of our claim for machinery etc., amounts to Rs.27188-15-9. We have added to the amount above noted Rs.2673-10-6 as the charges admitted by you for the building and stock and Rs.228/- for salvage and for the injuries done to the persons who attempted to quench the fire.

A 15. We therefore request you to pay our client the actual amount now claimed viz. Rs.29862-10-3, within one week after the receipt of this letter, but if you fail to do so, please note that our client will take action against you and will claim interest thereon on the aforesaid amount at 1 per cent per mensum.

We remain,

Sir,

Yours faithfully,

(True Copy)

THE NEW INDIA ASSURANCE COMPANY LIMITED.

FIRE MARINE ACCIDENT.

NO.6, First Line Beach,

M A D R A S.

FIRE... Dept. 18th December 1928.

Messrs. K.Venkata Rao, First Grade Pleader &
K. Ramachander, Barrister,

B E L L A R Y.

Dear Sirs,

CLAIM UNDER POLICY NO.48291.

We are in receipt of your letter of the 15th instant, and note that you accept the assessment of Rs.2,673/10/6 in respect of the damage to the building and stock.

We observe that there is a door connecting the Factory and Engine Room buildings, and unless the door is double fire-proof, the two buildings have to be treated as communicating, and the sum of Rs.137/2/0 being the difference in premium, is to be paid by your client.

So far as the assessment of the damage to the machinery is concerned, Mr. Lockley is a Consulting & Mechanical - Engineer and is understood to have had considerable experience in surveys of damages done to machinery. We are, therefore, sorry we cannot agree with you in your view regarding his competence to survey the damage in question.

We observe that a sum of Rs.28/- is claimed as expenses incurred for extinguishing the fire and on your producing vouchers for the same, we will be pleased to consider your client's claim for this amount.

So far as the medical expenses are concerned, we have to inform you that we are not liable to indemnify your client in respect of the same.

Yours faithfully,

/Sd/ xxx

Qualifications of . Hugh, Luckley,
Consulting Engineer,
MADRAS.

FIRST CLASS CERTIFICATES FROM SALFORD ROYAL TECHNICAL SCHOOL
MANCHESTER, ENGLAND.

STEAM.
APPLIED MECHANICS.
GRAPHIC STATICS.
GEOMETRY.
MATHEMATICS.
MACHINE DRAWING & CONSTRUCTION.
BUILDING CONSTRUCTION.
MAGNETISM & ELECTRICITY.
ELECTRICAL WIRING & HOUSE FITTING.
ELECTRICAL ENGINEERING.

MANCHESTER TECHNICAL SCHOOL, ENGLAND.

THEORY & CONSTRUCTION OF MODERN INTERNAL COMBUSTION ENGINE.

SOUTH KENSINGTON. LONDON. ENGLAND.

MACHINE DRAWING & CONSTRUCTION AND FIRST PRIZE.

ELECTED ASSOCIATE MEMBER OF THE INSTITUTE OF MECHANICAL ENGINEERS
LONDON. 1927.

LECTURER IN MECHANICAL ENGINEERING TO MADRAS GOVERNMENT TRADE
SCHOOLS 1916 to 1920.

LECTURER IN MATHEMATICS dito litto. 1920.

WORKS MANAGER. MESSRS. OAKES & CO.? LTD., BEEHIVE FOUNDRY?
MADRAS 1914 to 1928.

CHIEF ENGINEER. MESSRS. THE SOUTH INDIA INDUSTRIALS LTD.?MADRAS
&
GENERAL MANAGER. 1919 to 1926, when they went into
liquidation.

I may state I also had a lot to do with the lay-out of the Match Factory in Travancore State, advising the Managing Agents on same.

I have also carried out repairs and manufacture of various Match making machines for the Match Factory at Pasnermanpet, Madras.

Sd/ H. Hugh Lockley.

2-1-29.

Bellary,
26th December 1928.

From

B. Bhima Rao, Esq., B.A.B.L.
Advocate,
Bellary.

To

The New India Assurance Co., Ltd.,
No.6, First Line Beach,
Madras.

Claim under Policy No. 48291-Fire Department.

Dear Sirs,

I have been instructed by my client Muthyal Seenappa Ramanna of Bellary to send the following final notice to you with regard to the claim made by him in connection - with the above policy.

II. You have not given the qualifications of Mr.Lockley and my client cannot accept the estimate of the damage to the machinery as assessed by him. The machinery has been completely destroyed, lost temper, and is useless for practical purposes. Hence you are required to pay the full sum of Rs.29,862-10-3 as claimed in the statement sent along with the notice issued to you by Messrs. K.Venkatarao and K.Ramchender on the 15th instant. This sum is made up of Rs.27,188-15-9 which represents the total amount of loss to the machinery and Rs.2,673-10-6 which represents the damage to the factory building and the stock as admitted by you.

II. If you do not pay the above amount within a week from this date. my client will be obliged to institute a suit for the recovery of the above amount for the costs of which you will be liable.

My client will be agreeable, if, in accordance with clause 14 of the conditions of the policy you replace the machinery that has been destroyed

the case of the original machinery. But this must be done within 2 (two) weeks at least, as the match factory is not being worked since the 5th November last.

V. If no reply is received, within a week from this date, a civil suit will be filed as mentioned above.

Yours faithfully,

/Sd/ B.Bhima Rao,
26-12-1928.

(True Copy)

68

Bellary.

28th December 1928.

From, B

B.Bhima Rao, Esq., B.A.B.L.,

Advocate, Bellary.

To

The Director of Industries,

Madras.

Respected Sir,

I have been instructed by Muthyal Seenappa Ramanna of Bellary to send the following reply to your notice dated 30th November 1928, in continuation of the reply already sent by him on the 21st instant..

II. My client respectfully submits that the Government should not hold that the security has been rendered insufficient as defined in section 66 of the Transfer of Property Act because, to the extent that the machinery has been damaged, it is covered by the Policy of insurance with the New India Assurance Company, which is comprised in the security in accordance with clause 2 of the Mortgage Deed. To the extent that the machinery is not damaged, the original security remains in tact and the Government, would be entitled to realize the full value of such undamaged - security. Hence the total value of the original security remains the same.

III. Since the Government has the benefit of the Insurance Policy, which it can enforce against the company in accordance with the last clause of the mortgage-deed dated the 23rd day of September 1927, and since the Insurace Company is now quoting a very low figure towards the damage caused to the machinery by fire, it would be in the interests of the Government to take up the matter of the ascertainment of proper amount of damages against the insurance Com

Government expeditiously, without delay.

IV. My client is contending that the machinery is practically useless and claiming the full sum from the Insurance Company. If necessary, he will submit copies of the correspondence that has passed between them. At present a copy of the final notice issued to the company is sent herewith.

V. I hope the Government would agree that, in the circumstances mentioned above, the security cannot be deemed to be insufficient within the meaning of section 66 of the Transfer of Property Act, and that they would be pleased to make a demand on the New India Assurance Company for the full value of the machinery damaged and enforce the claim against the Company themselves. In accordance with the terms of the policy, the suit will have to be instituted within three months, Hence it is requested that the Government may be pleased to take action expeditiously.

(True Copy)

B. Bhima Rao,
28-12-28.

70

Mechanical, Electrical, Civil and Sanitary Engineer; Machinery repairs, Structural and Building Works - Undertaken; Pumps and Pumping Machinery and all class of Industrial Machinery supplied; Plans and Estimates for All Class of Engineering Work prepared; Surveys and ~~Xxxxx~~ Valuations undertaken; Engineering Materials; Estate Supplies.

Sole Distributor for

L.McMichael, Ltd., Wireless Components;

Radio sets supplied, erected, tested and Repaired.

Phone 3223. Telegrams RADIETHER.

W. HUGH LOCKLEY,

Consulting Engineer and Contractor.

Bannaby Road,

Kilpauk P.O.,

M a d r a s.

Specialities,

(see over)

(True Copy)

Muthyala Seenappa,
Ramanna Match Factory,
Bellary, dated 3-1-1929.

To

The New India Assurance Co., Ltd.,
MADRAS.

Dear Sir,

I am herewith enclosing a receipt as desired for Rs. 26/- from a maistry for extinguishing the fire with his men when my match Factory caught fire.

Yours etc.,

Proprietor.

72

COLLEGE BUILDINGS, ESPLANADE ROW,

Madras 5th January 1929.

B. Bhima Rao Esq.,
Advocate, Bellary.

Dear Sir,

Your letter dated 28th December 1928 addressed to our clients Messrs. New India Assurance Co., Ltd., has been placed in our hands with instructions to reply thereto as follows:-

It is a circumstance of somewhat striking significance that your clients should begin to put questions and institute enquiries in regard to the qualifications of the surveyor after he has done the work and submitted his report and after knowing the result of such report. Our clients are, however, prepared to furnish your clients with the information asked for about - the surveyor's qualifications; annexure "A" hereto is a memorandum setting out the qualifications of the Surveyor.

Our clients regret their inability to reconsider or modify their decision communicated to your clients through their (your clients') then lawyers Messrs. K.Venkata Rao & K.Ramachander of Bellary in and by our clients' letter of the 5th - December 1928 addressed to the said gentlemen.

Our clients are prepared to pay your clients the amount mentioned in the said letter <u>less</u> Rs.137/2/0 being the difference in premium mentioned in paragraph 2 of the said letter <u>provided</u> the Director of Industries is agreeable to such payment being made.

Yours faithfully,

/sd/ xxxx

(True Copy)

From

S. Narasinga Rao B.A., B.L.,
Vakil, Bellary.

To

The New India Assurance Co., Limited,
No.6 First Line Beach, Madras.

Fire Department.
Policy No.46291 of
Muthyala Ramanna's Match Factory, Bellary.

Dear Sirs,

I am instructed by my client Mr. Muthyala Ramanna the Proprietor of the Match Factory, Bellary to write to you as follows:--

1. That the claim due to my client has not yet been settled though it is more than two months since the same was notified to you.

2. That according to conditions noted in the Policy (Vide para 18), since there is much difference, my client is ready to refer the dispute to arbitration. So you will kindly send in proposals and details of procedure within three days of the receipt of this letter. If you fail to do so, you will be considered to have not agreed to arbitration.

Bellary.
21st January 192[illegible]

Vakil.

(True Copy)

16

THE NEW INDIA ASSURANCE COMPANY LIMITED.

FIRE MARINE ACCIDENT.

No.6 First Line Beach.

Post Box 270,
Telphone 2345.

S.J.F.Rivers,
Branch Manager.

M A D R A S.

Telephone -Nissurance
Code-Bentley's.

25th January 1929.

Muthyala Ramanna Esq.,

Proprietor, Match Factory,

Brucepet, Bellary.

Dear Sir,

POLICY NO. 48291.

Please note that the above Policy expires at 4 p.m. tomorrow the 26th inst, and no liability attaches to the Company as from that time.

Yours faithfully,

/Sd/ xxx

Secretary

(True Copy)

THE NEW INDIA ASSURANCE COMPANY LIMITED.

FIRE MARINE ACCIDENT.

Telegrams-Niasurance
Code-Bentley's

Post Box 270.
Telephone 3343,

No.6, First Line Beach.
MADRAS.

25th January 1929.

Ss Fire Dept.

S. Narasinga Rao Esq., B.A.B.L.,
Vakil, Bellary.

Dear Sir,

Fire Policy No.48291. Mr. Muthyala Ramanna's Match Factory, Bellary.

We are in receipt of your letter of the 21st instant. You ask us to send in (1) proposals and (2) details of procedure.

As to (1) we have no proposals to make. Our decision and contentions are contained in our previous letter to your clients and their then advisers.

We do not, we confess, understand what exactly you mean by calling for our proposals - proposals to be made to whom? And as to what? Please explain.

As to (2),- this again is not easy to understand. Please explain what is meant by details of procedure and what you desire us to say or do. Before understanding what you mean, we naturally are unable to answer your letter on this point.

Yours faithfully,

/Sd/ XX

Secretary.

(True Copy)

Bellary
Dated 28th January 1929.

From:

Mr.D.L.Chetty,B.A.,B.L.,
Advocate, Bellary.

To

The New India Assurance Co.,Ltd.,
No.6 First Line Beach,
Madras.

Dear Sir,

Ref: FIRE POLICY NO.48291-MUTHYALA RAMANNA'S MATCH FACTORY,BELLARY.

I am instructed by my client Mr.Muthyala Ramanna, Bellary, to give you the following reply to your letter dated 25-1-1929(Fire Dept.) addressed to his vakil Mr.S. Narasinga Rao, Bellary.

Mr.Muthyala Ramanna has placed in my hands all the factory at Bellary etc. We have persued the correspondence regarding the claim preferred by my client and the edtent to which you have conceded. As there was considerable difference intthe valuation of the damage, Mr.Narsinga Rao on behalf of my client, asked for your suggestions in regard to arbitration under the 18th condition printed on the back of the Policy and forming part of that agreement.

It is indeed a great surprise to see your reply couched in terms used with a clear intent to snub. The intention becomes quite apparent from your overlooking the reference in the letter to the words "That according to the conditions noted in the Policy (vide para 18) since here is much difference, my client is ready to refer the dispute to arbitrations", and asserting that you have no proposals to make and that your' decision and contentions' had already been communicated. I see from the papers that the prior correspondence does not refer to any arbitrationat all.

I want you to clearly understand, and again to tell you, that my client wants to proceed to arbitration under contition No.18 printed on the back of the Policy and forming

As you have avoided to make your suggestions in the matter of arbitration, my client proposes Mr.Manikji, Mechanical ~~Engx~~ Engineer, Bellary, or Mr.G.M.Cotta 123/124, Moor Street Madras, to be the common arbitrator, In case you do not consent to the proposal, I, on behalf of my client, call upon you (under the temms of the condition No.18 of the Policy) to intimate to me in writing the name of any disinterested person to act as arbitrator on your behalf and ~~p~~ my client will name his own arbitrator.

Please take notice that in case you refuse or fail to appoint an arbitrator within the time specified in the said 18th condition, my client will be at liberty to appoint a sole arbitrator to decide upon the claim and to take such other action as he may be entitled to under the Policy, and contractual law.

Yours faithfully,

78

THE NEW INDIAN ASSURANCE COMPANY LIMITED

Fire Marine Accident.

Fire Dept. Madras. 31st January 1929.

D.L.Chetty Esq., B.A.B.L.,
Advocate, Bellary..

Dear Sir,

Re:Fire Policy No.48291. Muthyala Ramanna's Match Factory,Bellary.

We are in receipt of your letter of the 28th inst., in the above connection, and in view of the fact that your client desires an arbitration, we have appointed Mr.A.S.Killick of Messrs.McDowell & Co.,Ltd., Madras, to act on our behalf. Kindly confirm that you have appointed Mr.G.M.Cotta, No.123/4 Moor Street,Madras, as your arbitrator by return and also advise us when it will be possible for him to meet Mr.Killick.

Yours faithfully,

Sd/-
Branch Manager.

Chetty, B.A.B.L., M.R.A.S.
A d v o c a t e.

Bellary
4-2-1929.

To

The New India Assurance Co., Ltd.,
M a d r a s.

Dear Sirs,

With reference to your letter dated 31st January 1929 appointing Mr. Killick of Messrs Mc. Dowell & Co., Madras to act on your behalf etc, I have to intimate to you that my client has authorised me to go to Madras and have an interview with you personally.

I hope to be in Madras on 9th instant failing which I will certainly be there on 11th instant May I therefore request you to let me know what hours suit you for a interview on those two days. Any hour after 12 on saturday and any hour between 11 A.M and 2 P. M on Monday will suit me.

With regard to Mr. Cotta, you will please see from my letter that his name was suggested as a COMMON ARBITRATOR and in case you do not agree for this proposal, "my client will name his own arbitrator" after learning the name of your arbitrator. Now that you have named your own arbitrator my client will name his own after my interview with you, in case of need.

Thanking you in anticipation,

Yours faithfully,

Development Department.

O.M.No. 3286 II/28-68 d. 11 3 29

Ref: Letter from M.R.Ry. Muthyala Seenappa Ramanna Garu, Proprietor, Match factory, Bellary d. 28-1-1929. - extension of time for repayment of Govt. loan.

The Government regret that they cannot extend the period of three months time given in the notice already served on him for repayment of the Government loan.

To M.R.Ry. Muthyala Seenappa Ramanna Garu, Proprietor, Match Factory, Bellary.

Copy to the D.I. (with copy of letter from Mr. Ramanna at p.36 c.f.)

Dev - 1165 II
4-4-29

Bellary.

1st April 1929.

1 APR 1929

From

Muthyal Seenappa Ramappa Garu,

Proprietor, Match Factory,

Bellary.

To

The Secretary to the Government,

Development Department,

Fort.St.George, Madras.

Honoured Sir,

In obedience to your Memorandum No.3286.II/28-/68 dated 11th March 1929, informing me that the Government cannot extend the period of three months time given in the notice, I request the benign Government to inform that the arbitration is still pending and I therefore request that Government may be pleased to extend the time to six months.

For which act of kindness, I shall ever be grateful.

I beg to remain,

Honoured Sir,

Your most obedient servant,

M. Ramanna

Proprietor.

Match Factory Bellary.

12/9/4

MR 9/4

MR 9/4

9/4

p. 81 cf

Dev Dept.

OM No 3286 II/28-9 9-4-29

Read.

Letter from Muthyala Seenappa Ramanna Jain, Proprietor, Inakh Factory, Belgaum — d. 1.4.29

(Extension of time for re-payment of Govt. loan.

With reference to his letter read above, Muthyala Seenappa Ramanna Jain is informed that he should have made any representation he wanted to make in the matter to the Director of Industries.

The Govt ~~regret that~~

RC
9.4

Muthyala Seenappa Ramanna Jain, Proprietor, Inakh Factory, Belgaum.

by to the D.I. with copy of letter at p. 81 cf

Ben 8/4/29.

Dpd. by Van Pant

Dpt's initials.

Date 12.4.

Dev Dept

OM No 3286 II/28-10 d 13.5.29

Refce: OM No 3286 II/28-7 d 1.2.29. Bellary Match Factory - notice served on proprietor and further correspondence —

The Director of Industries is requested to report whether Mr Mullapudi Seenappa Ramanna, the proprietor of the Match Factory, Bellary, has repaid the first loan as stipulated in the notice served on him and if not, to ~~send up proposals for the recovery of the amount in arrears by the sale of the property according~~ take immediate steps in accordance with the terms of the mortgage.

Dpd. by Van / ~~Post~~ / ~~Messenger~~

Dpd. Ref. No. MWS

Date 14/5/29.

To the Director of Industries.

Reminder 19/6

RC 8.5.29.

ker 1.5.29

Received ..... 192 . Registered 192

Subject.

Bellary Match Factory - Recovery of loan amount.

ENCLOSURES.
No. .....
.....
Spare copies .....

No. 578-A/29.

Station Madras., Dated the 13th August 1929

From (Name) M.R.Ry Dewan Bahadur A.Appadurai Pillai Avl., M.A.,
(Designation) Director of Industries,

To The Secretary to the Government of Madras,
Development Department.

Sir,

Reference: Government Memorandum No.3286 II/28-10 dated 13th May 1929.

Since the receipt of the Government Memorandum and pursuant to the advice of the Government Solicitor, a copy of whose letter is enclosed, steps were taken to secure the services of a Government Auctioneer at Bellary for undertaking the auction sale of the match factory. The firm of Messrs:Zackria Sait & Sons have been recommended by the Collector. A copy of their letter, quoting terms for the business, is submitted for the approval of Government. The 3 percent commission asked for by the firm appears to be quite fair compared to the commission of 8%

& Co. The sum of Rs.200 demanded by the auctioneers is to be paid to cover advertisement charges in the event of the concern remaining unsold. Since there is every likelihood of the concern being sold, the contingency of paying Rs.200 to the auctioneers will hardly arise.

2. As regards advertisement of the auction, I consider that the proposal of the Auctioneer to advertize it in the following manner seems sound and may be approved:-

(1) Advertisement in 'The Hindu' and in the 'Times of India' one for The Madras Presidency and the other for the Bombay Presidency.

(2) Advertisement in a Vernacular paper preferably in Telugu.

(3) Distribution of Hand Bills both in English and Telugu locally as also ~~sent~~ to the moffussils by Post.

(4) Beat of Tom Tom.

The advertisement in the Fort St.George Gazette and the Bellary District Gazette will be done ~~by~~ at the Cost of Government. In addition, printed copies of the notification may be forwarded to the Collector, Bellary with a view to their distribution to prominent men in the district, through the Tahsildars. The Collector will also be requested to arrange for wide publication of the sale in such other manner as he may deem fit. I enclose for the approval of Government drafts of the proposed advertisement in the Gazettes and in the papers named above.

3. The Collector of Bellary will be requested to instruct the Revenue Divisional Officer, Bellary to watch the sale on behalf of Government.

for Director of Industries.

G.M.

Draft Advertisement, (in the Gazettes and for local delivery) in Bellary.

Notice is hereby given that the Match Factory of Mr. Muthyala Seenappa Ramanna of Bellary, a State-aided concern, will be sold by public auction by Zackria Sait & Sons, Government and Public Auctioneers, Bellary, on Saturday 14th September 1929, commencing at 11 A.M. sharp at the factory premises at Bellary under the mortgage executed by the proprietor of the factory in favour of the Government of Madras. The buildings are well designed and constructed and the machinery and plant are of modern design. The factory is reasonably near the sources of supply of wood.

Full particulars of the machinery, buildings etc proposed to be sold are furnished below:-

1. Nature of the land .. Government Dry land.
2. Survey No..... S.No.506 B/1 and S.No.513
3. Extent ... 5 acres 54 cents.
4. Assessment ... Rs.40-14-0.
5. Buildings standing thereon:-
   1. One bungalow-Door No.1354 .. 1st Ward - N&S.94 ft. E.W.40 ,,
   2. Factory building--Door No.1355..1st Ward - N&S.40 ft. E.W.104 ,,
6. In whose name registered .. Muthyala Ramanna.
7. Boundaries:-
   East .. Seedaragadda Road.
   West .. Penukonda Rama Rao's son Narasinga Rao's bungalow.
   North... Alle Dodda Basappa's field, and Poojari Narasingappa's field.
   South .. Cantonment Road.

Machinery.

1.	Peeling machine	1.
2.	Chopping machine	1.
3.	Dipping machine	1.
4.	Outer Box making machine	1.
5.	Inner Box making machine	1.
6.	Box closing and labelling machine	1.
7.	Box painting machine	1.
8.	Cooking machine	1.
9.	Ball mill	1.
10.	Steam engine	1.
11.	Shafting	75 ft.
12.	Pulleys	10 ft.
13.	Belt	200 ft.
14.	Girders	20.
15.	Spanners	10.

Any further particulars can be obtained on applica-

87

Draft Advertisement. (in papers)

Notice is hereby given that the Match Factory of Mr.Muthyala Seenappa Ramanna of Bellary, a State-aided concern will be sold by public auction by Zackria Sait & Sons, Government and Public Auctioneers, Bellary, on ~~Saturday 14th September 1929~~, commencing at 11 A.M. sharp, at the Factory premises at Bellary, under the mortgage executed by the proprietor of the factory in favour of the Government of Madras. The buildings are well designed and constructed and the machinery and plant are of modern design. The factory is reasonably near the sources of supply of wood.

Full particulars of the machinery, buildings and any further information that may be required can be obtained on application to the Director of Industries, Post Box 432, Madras.

Local Advertisement. (in the Gazettes and for local delivery in Bellary)

Notice is hereby given that the Match Factory of Mr. Muthyala Seenappa Ramanna of Bellary, a State-aided concern, will be sold by public auction by Zackria Sait & Sons, Government and Public Auctioneers, Bellary, on Monday, the 27th July 1930, commencing at 11 a.m. sharp at the Factory premises at Bellary under the mortgage executed by the proprietor of the factory in favour of the Government of Madras.

Full particulars of the machinery, buildings etc. propose to be sold are furnished below.

The buildings and machinery may be inspected any time before the date of sale.

1. Nature of the land .. Government dry land.
2. Survey No. .. .. S.No.506 B/1 and S.No.513.
3. Extent .. .. 5 acres 54 cents.
4. Assessment Rs.40-14-0
5. Buildings standing thereon:-
   1. One bungalow - Door No.1354 .. 1st Ward -
      N to S.94 ft.
      E to W.40 "
   2. Factory building - Door No.1355 .. 1st Ward -
      N to S.40 ft.
      E to W.104 "
6. In whose name registered .. Mythyala Ramanna.
7. Boundaries:-
   East .. Seedaragadda Road
   West .. Penukonda Rama Rao's son Narasinga Rao's bungalow.
   North .. Alle Dodda Basappa's field, and Poojari Narasingappa's field.
   South .. Cantonment Road.

Machinery.

1. Peeling machine	1
2. Chopping machine	1
3. Dipping machine	1
4. Outer Box making machine	1
5. Inner Box making machine	1
6. Box closing and labelling machine	1
7. Box painting machine	1
8. Cooking machine	1
9. Ball mill	1
10. Steam engine	1
11. Shafting	75 ft.
12. Pulleys	10 ft.
13. Belt	200 ft.

Nos. 1 to 7 slightly damaged by fire.

Any further particulars can be obtained on application to the Director of Industries, Post Box 432, Madras.

Draft Advertisement (in papers)

Notice is hereby given that the Match Factory of Mr. Muthyala Seenappa Ramanna of Bellary, a State-aided concern will be sold by public auction by Zackria Sait & Sons, Government and Public Auctioneers, Bellary, on Monday the 27th July 1930 commencing at 11 a.m. sharp, at the factory premises at Bellary, under the mortgage executed by the proprietor of the factory in favour of the Government of Madras.

Full particulars of the machinery, buildings and any further information that may be required can be obtained on application to the Director of Industries, Post Box 432, Madras. The buildings and machinery may be inspected any time before the date of sale.

Copy of letter No.1273 dated 22nd May 1929 from the Government Solicitor, Madras to the Director of Industries, Madras.

I have the honour to acknowledge receipt of your letter No.10-A/29 of the 16th instant.

I think that the notice can be taken to have been served on the 7th February last and the three months period notified thereby would have expired on the 7th instant. Under the terms of the mortgage, the property can be realised by public auction or private sale, but it would be advisable to offer the same by public auction and instructions to this effect should be given in due course to the Government auctioneer and steps should be taken to see that the sale is adequately advertised in the District where the Factory is situate and in Madras.

It may be advisable to formally intimate to the mortgagor that steps are being taken to bring the property to sale.

Copy of letter dated 9th August 1929 (Camp Madras) from Messrs:Zackria Sait & Sons, Government Auctioneers, Bellary to the Director of Industries, Chepauk, Madras.

Ref: Your memorandum dated 31st July 1929.We beg to state that we shall be pleased to conduct the auction sale of the Match Factory on the following terms:-

3% Commission, if the Match Factory is sold.

Rs.200/- to meet the advertisement charges if it is unsold. We hope that our terms will be acceptable to you.

The advertisement that we intend doing is as follows:

(1) Advertisement in The Hindu and in the Times of India one for The Madras Presidency and the other for the Bombay Presidency.

(2) Advertisement in a Vernacular Paper preferably in Telugu.

(3) Distribution of Hand Bills both in English and Telugu locally as also sent to the moffussils by Post.

(4) Beat of Tom Tom.

90

D 2555-II
28-8-29

29 AUG 1929
GOVERNMENT OF MADRAS
SECRETARIAT

Bellary,
26th August 1929.

From

S.K. Ramachandran Esq., B.A., B.L.,
First Grade Pleader, Bellary.

To

The Secretary of State for India,
represented by the Collector of
Bellary.

S i r,

I have been instructed by Muthyala Lakshmamma, mother and guardian of minors (1) Muthyala Seenappa and (2) Muthyala Giriyappa, sons of Muthyala Ramanna, merchant, residing at Bellary, to give the following notice to you under Section 80 of the Civil Procedure Code:-

2. My client Lakshmamma instructs me to file a suit for partition of the joint family properties including those described in the schedule hereto on behalf of her minor sons referred to above against Muthyala Ramanna and the Secretary of State for India in Council, as the father Ramanna has been guilty of waste and malversation with regard to the family properties and it would be beneficial for the minors to effect a partition now alone. She is obliged to implead the Secretary of State for India in Council as a defendant in the suit, inasmuch as the Ramanna is said to have executed a mortgage of some of the family immoveable properties (set forth in the Schedule) in favour of the Secretary of State for India sometime in the year 1927, in connection with a Match Factory started by him, which was a speculative and adventurous concern. The debts contracted by him in connection therewith are not legally binding on the sons. The mortgage also is not binding on them. The Secretary of State is therefore to be necessarily impleaded

free of the said mortgage.

3. I therefore give you two months' notice under Section 80 of the Civil Procedure Code on behalf of the party referred to above in which the following reliefs will be claimed:-

(a) an account of the joint family properties, including those set forth in the Schedule hereto;

(b) declaration that the mortgage in favour of the Secretary of State for Indian in Council by M. Ramanna in 1927 is not binding on the minor -- plaintiffs;

(c) for division of the joint family properties into three shares, free of the said mortgage and allotment and delivery of two-thirds share therein to the plaintiffs;

(d) for an injunction restraining the Secretary of State for Indian from selling the mortgaged properties till the disposal of the suit;

and (e) costs;

and (f) such other reliefs as the exigencies of the case may then require.

4. I would therefore request you not to sell the properties till the suit is filed. If you agree that the mortgage is not binding on the minor sons and are willing to proceed against the father's share only, and intimate the fact to me, I shall not implead the Secretary of State for India as a defendant in the suit.

(1) Copy to (1) Secretary to Government of Madras; Development Department, Madras;

(2) Copy to Director of Industries, Madras.

Schedule

Properties situated at Bellary, within the Registration Sub District and District of Bellary.

1. Nature of the land. ... .. Government Dry land.

2. Survey No. ... ... 506-B/1 and 513.

Ac. 3-10 cents. Ac. 2-44 cents.

3. Extent. ... . Acres 5 - 54 cents.

4. Assessment. ... . Rs. 40-14-0

5. Buildings standing therein:-

(1) One bungalow Door No. 13'4, First Ward. { North to South: 94 feet; East to West: 40 "

(2) Factory Building Door No. 1354, First Ward { N. S. (... 40 " 104 "

6. In whose name registered. .. Muthyala Ramanna;

7. Boundaries:- East: Sandarasadda Road;

West: Penugonda Rama Rao's son Narasinga Rao's Bungalow;

North: Alle Dodda Basappa's field and Poojari Narasingappa's field;

South: Cantonment Road.

Yours faithfully,
S.V. Ramachandrar
Vakil.
Bellary.
27/8/49

Sec Dept

Read

Letter from M.R.Ry S. K. Ramachandra B.A., B.L., Pleader, Bellary, d 26.8.29. - particulars suit against Mr. Mallikarjuna Ramanna - proprietor, Match Factory, Bellary.

30.8.29

Govt No 2555 II/29 dt 30-8-29

Referred to the D.J. for very early report in consultation with the Collector of Bellary and the local Govt Pleader.

RR
30.8.

To the DJ. with copy of letter at pp 90-92 cf

Ker
29.8.29

31/8/29.

Acc Dept

[illegible] No 3286 II/28-11 d 2.5.29

Ref: D I's letter No 106 A/28 d. 8.12.28

Belly washed match Factory

Dy for home to dy
[illegible]
28/5/29

[illegible] [illegible].

In para 2 of his letter cited above, the Director proposes to send the Industrial Engineer to visit the factory and to report on the extent of the damage done to the factory by the fire. The D.I. is requested to explain the circumstances under which the visit was abandoned. ~~The Government would information as to whether by certain of machinery were damaged by fire.~~ From the particulars of machinery given in the draft advertisement it would appear that all the articles of machinery were in-tact and remained unaffected by the fire. The Government ~~would~~ ~~like~~ to have definite information whether ~~which~~ articles that were damaged by fire before the advertisement for

x The Insurance Company's estimate of damages is Rs 4504 as differs widely from the ~~Company's~~ owners estimate of Rs 27189.

p 87 ante

p 63 ante

95

inquiries to visit his factory at once and to report ~~to the~~ to what extent the buildings and ~~the~~ ~~of~~ parts of machinery mentioned in the Schedule to the agreement have been damaged by fire and ~~upon~~ what ~~would be~~ their present estimated value ~~of the~~ is ~~machinery~~

RC
1.9.

SM
2.9.29

KER
1.9.29.

To the D.I.

D2775-II
18-9-29

Received ..... 192 . Registered 192

Subject.

Bellary Match Factory - Estimate of damage by fire.

Enclosures.
No.
Spare copies

No. 698-A/29

Station Madras, Dated the 15th September 1929

From (Name) M.R.Ry Diwan Bahadur A.Appadurai Pillai Avl.M.A

(Designation) Director of Industries.

To The Secretary to the Government of Madras,

Development Department.

Sir,

Ref: Government Memo.No.3286-II/28 dated 2nd Sept.1929

The Industrial Engineer's visit to the Match factory at Bellary was deferred in the following circumstances:-

Subsequent to this office letter No.106-A/28 dated 8th December 1928, the New India Assurance Company with whom the match concern was insured, communicated to me their assessment of the damage sustained by the factory from the fire. The proprietor of the match factory was also, from the outset, averse to any interference

Further as summary recovery of the outstandings was decided by the issue of a notice giving the borrower three months time, vide, Government memo. No.3286 11/28-6 dated 18th December 1928 and subsequently orders were received for the immediate recovery of the loan by the sale of the concern in accordance with the terms of the mortgage - vide Government memo. No.3286 11/28-10 dated 13th May 1929, it was considered that a preliminary inspection to assess the damages was not necessary and that the Industrial Engineer might suitably be deputed to take possession of the factory before the sale was effected

2. In pursuance of the Government memo under reply the Industrial Engineer was deputed to visit the factory immediately and he did so on the 5th and 6th September 1929. I submit a copy of his inspection report which furnishes details of the estimated damage in the case of the several items of buildings and machinery referred to in the draft advertisement submitted to Government.

3. It will be noticed from the Industrial Engineer's report that the proprietor Mr.Ramanna was unwilling to permit the inspection and insisted on the machinery being kept intact without being dismantled or interfered with in any manner as the arbitration between him and the Insurance Co., has not closed. The Industrial Engineer could not therefore dismantle the machinery for a detailed inspection of the various parts, some of which he states were covered with ashes and other debris caused by the fire and he had to content himself with examining the machinery in so far as the damage was visible to the eye. The Industrial Engineer's estimate of the damage being thus subject to the above limitation can be regarded as only approximate. Information in regard to the estimated value of the several items and

factory showing the machinery and the portion affected by fire, is enclosed herein

Items.	value at the time of ~~for~~ fire.	extent of damage.
Land.	Rs. 1,000) value	no damage
Buildings-1.Bungalow	5,000) at the	no damage
2.Factory building	8,000) time of loan application	Rs 100
1 Peeling machine	4,049	250
2 Chopping machine	4,928-4-0	200 (erected portion of the machine.
3 Dipping machine	8,690	Rs3,476
4 Outer Box making machine	635-8-0	——— machine reported to be seriously damaged and not worth repairing.
5 Inner Box making machine	861	- do -
6 Box closing and labelling machine	492	200
7 Box painting machine	1,161	700 (external damage visible to the eye)
8 Cooking machine	267	no damage
9 Ball Mill	340	no damage
10 Steam Engine and boiler	1,500	no damage
11 Shafting, 12 pulleys and 13 belts	500	no damage
14 Girders	425	no damage
15 Spanners	-	--
Other Machinery.		
Box Veneer Chopping machine	200	seriously damaged beyond repair
Splint selecting machine	400	15
Two Splint polishing and cleaning drums	70	no damage
Splint levelling machine	200	no damage
Belting -- condition is very poor.		Present value Rs 100

4. In the draft advertisement forwarded to Government no mention was made of the damage caused to or the present condition of the items of plant and machinery and it would be difficult and perhaps ~~impossible~~ inadvisable to do so. Intending bidders will no doubt visit the factory by arrangement with the auctioneer prior to the sale and ~~form their own~~ form their own opinion of its value.

5. The partition suit notice, recently received from the advocate on behalf of Ramanna's wife has been referred to the Collector of Bellary, with a request to obtain the opinion of the local Government pleader in regard to the bearing of the notice on the proposed auction sale of the concern and to have confidential enquiries made as to the exact situation. I shall communicate to Government the Collector's reply as soon as it is received.

for Director of Industries.

17/9

Industrial Engineer's note on the Bellary Match Factory

...

I was not asked at any time to visit the factory and report on the damage to the machinery.

The Government desire information on the following points.

1. Definite information as to the articles damaged by fire.
2. To what extent the buildings are damaged by fire.
3. To what extent the articles of machinery are damaged by fire.
4. Their present estimated value.

I visited the factory on the 5th and 6th September. Mr. Ramanna, the Proprietor was not willing to allow me to enter the factory. He said that the factory was locked up by the Insurance Company and until the arbitrators appointed by himself and the Company gave their award in regard to the payment to be made to him on account of the damage to his factory, no one was to be allowed to enter the factory or interfere in any manner with the machinery.

I told him that I was deputed by the Director of Industries on behalf of the Government to inspect the factory and machinery, that the factory is mortgaged to Government and that if he refuse me admittance, I would place the matter before the Collector of Bellary and ask him to take such action as he may deem necessary He then produced the keys and reluctantly opened the factory but insisted that the machinery should not be dismantled or interfereed with in any manner. He said that the dispute between him and the Insurance Co., was in the hands of arbitrators and until they inspected the machinery and gave their award, it should be left in the same condition as it was after the fire.

I could not therefore dismantle the machinery for a detailed inspection of its various parts but had to content myself with examining the machinery in so far as the damage was visible to the eye. The ashes and other debris caused by the fire are lying round the machines and some parts of the

the damage observed in the case of each item in the schedule attached to the draft advertisement.

Land: There is no damage to the land.

Buildings.

(a) Bungalow - This is in the occupation of the proprietor Mr. Ramanna and has suffered no damage.

(b) Factory building - The factory building is intact except for some cracks in the south east corner covering an area of about 370 square feet. Inside the building, at this corner there is a heap of ashes consisting of burnt paper, matches, wood, parts of machines etc. The stone slab supporting the wall over the door on the southern side of the factory is cracked. All this damage could be repaired at a cost of about one hundred rupees.

Machinery.

1. Peeling machine or match splint veneer lathe.

The following damage was noticed.

(1) large driving toothed wheel cracked.

(2) Feeder mechanism damaged.

(3) Chain wheel of feeder mechanism broken.

(4) Clutch handle bent.

(5) Feed driver pinion shaft bent.

(6) wooden sleepers between foundation and machine burnt.

I consider it possible to repair this damage at a cost of about Rs 250/-. The machine does not appear to be very seriously damaged. It was purchased in 1926 and has been in work for about 18 months.

The actual value of this machine at the time of the fire may be estimated as shown below.

Cost of machine	...	1750$
Less 10% discount	...	175$
	nett	1575$
Plus 1/3 freight paid on 3 machines 198.05 $		66.[illegible]$

Total value in 1926	4735 0 0
Less depreciation for 18 months at 10% per annum	686 8 0
Net value	4049 0 0 approximately

2. Chopping machine.

1. Cast iron frame work broken.
2. Eccentric driving mechanism damaged,
3. Wood inlaid in the frame of the machine burnt.
4. Wooden sleepers between the foundation and frame of machine burnt.
5. Fire seems to have reached the knives.

The proprietor states that the machine as it stands is not complete. Only a portion of the machine - about 7 feet in length - is erected as the whole length of the machine was not necessary for his purpose. The major portion of the remainder was packed in a wooden box and stored in a corner of the factory. This box is reported to be burnt-some metal parts of the machine can be seen lying half buried in a heap of ashes. The proprietor would not consent to their removal for detailed examination. He says that the machine is 40 fee in length. The damage to the erected portion of the machine may be roughly estimated at Rs 200/-

It may be as well to explain here how the machine could be worked though only a portion of it was erected. Veneers which are cut in the peeling machine are passed between rollers along the long length (40 feet) of the frame of the chopping machine which is steam heated. In passing over the long steam heated frame they become dry and are chopped into splints at the opposite end (delivery end) of the machine. Since the proprietor found that the veneers did not require drying to any great extent on account of the climatic conditions in this country, he dispensed with the greater portion of the frame and erected only a short length of about 7 feet.

The value of the whole machine (40 feet long) at the time of the fire is given below:--

Cost in 1926	... 2150/-
	... 215/-

Plus 1/3 freight paid on 3 machines about	B.F. 1935#	
	66#	
Total	2001#	
Value in rupees at Rs 277/- ~~at Rs 277~~ per 100# about		5542 0 0
Plus 1/3 railway freight on three machines		50 00
Plus duty about		172 0 0
Total value in 1926		5764 0 0
Less depreciation at 10% per annum for 18 months		835 12 0
Nett value at time of fire		4928 4 0

Dipping machine.

1. All five wire springs distorted and useless.
2. One chain wheel and one gear wheel broken.
3. The aluminium chain ~~xxxx~~ conveyor which is the principal part of the machine - about 170 feet long 7 inches broad and ¼ inch thick is badly damaged and broken. It may be necessary to replace the whole conveyor. It is impossible to say with any degree of accuracy what the conveyor would cost. It will have to be imported from the manufacturers.

The value of this machine at the time of the fire is worked out below:--

Cost in 1926 ...	3860#
Less discount at 10%	386#
Nett	3474#
Plus 1/3 freight etc. on three machines	66
Total	3540#
Value in rupees at 277 rupees ~~xat~~ per 100# about	9805 0 0
Plus 1/3 railway freight	50 0 0
Plus duty about	308 0 0
Rs	10163 0 0

Less depreciation at 10% per annum for 18 working months about 1473 0 0

Outer Box making machine.

1. Four springs are distorted.
2. Two guide rods are bent.
3. The lateral motion eccentric is broken.
4. Cast iron frame is burnt and cracked.
5. Paper feed arrangement is damaged.
6. Wooden paper slides is burnt.
7. Wooden clutch handle is burnt.

This machine appears to be seriously damaged and not worth repairing.

Value of machine at time of fire.

Cost about 253¢

Value in rupees at Rs 277/- per 100¢	Rs 7,00 0 0
Plus duty about	17 8 0
Plus railway freight	25 0 0
Total	Rs 7,42 8 0
Less depreciation at 10% for 18 working months	1,07 0 0
Nett value	Rs 6,35 8 0

Inner Box making machine.

1. Sleepers on which the machine is erected are burnt.
2. Frame work of the machine is cracked in two places.
3. All the springs are distorted and damaged.
4. Lateral feed eccentric is broken and the eccentric spindle is bent.
5. Wooden handle is burnt.
6. Wooden slide is completely burnt.
7. The machine is seriously damaged and I do not consider it worth repairing.

Value at time of fire.

Cost ... 346¢

Value in Rs at 277 per 100¢	Rs 958 0 0
Plus duty	24 0 0
Plus railway freight	25 0 0
Total	Rs 1007 0 0
Less depreciation at 10% for 18 working months	146 0 0

Box closing and labelling machine.

1. Both brushes are burnt.
2. Springs are distorted.
3. Supporting frame is cracked.
4. Wooden feeding slide is burnt.
5. Gum pot is damaged.
6. Driving pulley is cracked.
7. Box delivery shoot is broken.

This machine may cost Rs 200/- to repair.

Value at time of fire.

Cost		197$
Value in Rs at Rs 277/- per 100$		546
Plus duty		14
Plus railway freight		25
Total	Rs	575
Less depreciation at 10% for 18 working months about		83
Nett value	Rs	492

Box Painting machine.

1. Rubber bands on wheels are burnt.
2. Both side driving wheels are broken.
3. Wooden slide is burnt.
4. Belt conveyor is burnt.
5. Both brush wheels are damaged.
6. Fast and loose pulleys are cracked.
7. Both composition carrier wheels are broken.
8. Box levelling wheel is cracked.

Certain damaged portions of this machine cannot be made here but have to be obtained from the makers. The damage may be approximately estimated at Rs 700/-

Value of machine at time of fire...

ost	470$	
alue in Rs at Rs 277 per 100$ about		1300 0 0
lus duty		33 0 0
lus railway freight		

In the above machine replacement of broken parts which are visible to the eye without dismantling the machines may cost the figure indicated. If there is any damage to the internal parts or to bearings which may have seized, the cost of repairs will be more. To this must be added the cost of tuning the machines.

Cooking machine. Not damaged.

Present value about Rs 267/-

Ball Mill Not damaged . Present value about Rs 340/-

Steam engine and boiler. Not damaged. Present value about Rs 1500/-

Shafting and pulleys.Not damaged. Present value about Rs 500/-

Girders Undamaged. Present value about Rs 425/-

Spanners There are only six spanners. The proprietor says that several spanners are burnt and are lying in the ashes.

In addition to the above the following machinery has b installed.

Box veneer chopping machine cost Rs 200/- This is badl burnt and may be considered a total loss.

Splint selecting machine Cost Rs 400/-
The damage may be estimated at Rs 15/-

Two splint polishing and cleaning drums Cost Rs 35 each No damage.

Splint levelling machine Cost Rs 200/- no damage.

The total length of belting in stock is 264 ft. of 2 inches size and 48 ft. of 4 inches size. The condition of the belting is very poor. Present value about Rs 100/-

The proprietor says that a stock of chemicals, paper, matches, labels etc., of an aggregate value of about Rs 2000 has also been destroyed.

I enclose a plan of the match factory showing the location of the machinery. Machines within the red line have been affected by fire.

GOVERNMENT OF MADRAS

107

DEVELOPMENT DEPARTMENT.

MEMORANDUM No.3286-II/28-12 dated 7th October 1929.

(Refce.- Correspondence ending with Director's letter No. 698A/29 dated 15th September 1929 - Bellary Match Factory).

The Director is requested to obtain and submit at an early date the opinion of the Government Solicitor whether it is advisable to bring the properties of the Bellary Match Factory comprised in the indenture of mortgage to sale, before the arbitrators appointed by the proprietor and the Insurance Company to assess the value of damages to the machinery, - - buildings etc., have visited the spot ~~and~~, inspected the damaged buildings and machinery, and have given their award.

(By Order).

o/c

ASSISTANT SECRETARY TO GOVT.

To the Director of Industries.

Reminder 1.11.29

V
7/x

Industries DEPARTMENT.

Received ..... 192 Registered ..... 192 .

D 3196-II
17.10.29

Subject.

Bellary Match factory - partition suit against

Mr. Muthyala Seenappa Ramanna

ENCLOSURES.

.....

.....

are copies.....

No. 698-A/29

Station Madras, Dated the 14th October 1929.

From (Name) M.R.Ry Diwan Bahadur A.Appadurai Pillai Avl.M.A.,

(Designation) Director of Industries

To The Secretary to the Government of Madras,

Development Department

Sir,

Ref: Government Endorsement No.2555 11/29-1
dated 30th August 1929

The Government pleader, Bellary, who was consulted by the Collector has stated that as the machinery mortgaged to Government has not been included in the schedule attached to the suit notice, there is no objection to proceed against it immediately. He adds that as a precautionary measure it is safe to await the filing of the suit - vide accompanying copy of his letter to the Collector. The Collector is inclined to agree with this view and I suggest therefore that

the filing of the suit be awaited.

Copies of the Tahsildar's report and the draft reply to the suit notice prepared by the Government pleader are enclosed

2. When I inspected the factory recently, Mr.Ramanna nformed me that it was his intention to pay back the loan as soon as his claim was met by the insurance company. It would appear that he has asked for the payment of Rs. 30,000/- from the company as damages, that the High Court before whom the matter is now pending has referred the claim to arbitration and that it is likely to be settled shortly, probably in a month or two. He has no objection to Government appropriating whatever sums may be decreed in his favour as payable by the insurance company. I therefore suggest that the Government pleader may be instructed to watch the progress of the arbitration proceedings and take steps to secure the amount that may be decreed.

3. As desired by Government in their memo.No.3286-11/28-12 dated 7th October 1929, I have addressed the Government Solicitor as to whether it would be advisable to bring the properties of the factory to sale before the arbitrators have given their award and am awaiting his reply.

for Director of Industries.

Copy of letter dated 1.10.1929 from Government Pleader, Bellary to the Collector, Bellary.

Ref: 698-A/29 dated 4-9-1929 - Match factory M.Ramanna - Recovery of Government loan.

--

The suit notice cannot come in the way of the proposed auction sale of the properties hypothecated under the provisions of the mortgage-deed and the State Aid to Industries Act.

I would however suggest that the auction sale of the site and the buildings thereon may be postponed till the end of October 1929 to await any steps that might be taken by the minor sons of the mortgager. The machinery etc, about which no claim is made in the notice may be sold forthwith.

I have made the above suggestion of postponing the sale of the site and the buildings thereon for the simple reason that they may not fetch a good price in view of the claim made and also for the reason that the claimants may obtain an injunction order from the court at any time. The papers sent to me are herewith returned.

Copy of letter D.Dis No.2839/B.3 dated 22-9-1929 from the Tahsildar, Bellary to the Collector of Bellary, through the Revenue Divisional Officer, Bellary.

Subject- Loan - State Aid under the Industries Act - granted to M.Ramanna. suit notice on behalf of his sons - by Mr.S.K.Ramachandran - report submitted

---

Collector's Ref.C.5075/29 A.1 dated 11-9-29 the subject matter involves complicated legal points. I submit that it would be better if the Government pleader is asked to suggest points on which enquiries have to be made so that our enquiries may be exhaustive. I consulted Rao Saheb,M.R.Ry J.Pappaiah [illegible] M.R.Ry Muthuvala Narayanappa and made confidential

enquiries orally about the present situation. They say that the proprietor M.Ramanna has planned this stratagem with a view to thwart the Government in this attempt to recover the amount of advance given to him in aid of the match factory business started by him and to put off sale proceddings. Ramanna is the managing member of the family and his sons and their guardian (his wife) are living in a joint family with him in his bungalow near Durgamma temple. He started the match factory concern for the benefit of his family members but he did not conduct the business on proper lines. He made no attempt to appoint a properly qualified man to be in charge of the factory and I am told that he drove away the technical officer deputed by the Director of Industries and that his business failed on account of his own faults

Besides the properties mentioned in the suit notice he owns a house in the town and a shop in the main bazaar and two godowns and my enquiries reveal that he possesses properties enough to pay off the Government loan.

The suit notice is herewith submitted

Copy of draft notice prepared by the Government pleader

To M.R.Ry Muthyala Lakshamma Garu mother and guardian of minor Muthyala Seenappa and Muthyala Girippa.

Madam - Ref: Notice on your behalf ~~viz~~. M.R.Ry S.K.Ramachandran B.A.,B.L., Pleader, Bellary.

We are not aware of the allegations made in your notice. Nor are we in any way interested in the suit proposed to be filed by you. You have no cause of action to implead the Government in the said suit. Muthyala Seenappa Ramanna Garu the mortgager represented that he was the proprietor of the properties mortgaged and under the mortgage deed Government is entitled to sell them

Industries DEPARTMENT.

D 3388-9
25-10.29

Received.....192 *Registered*.....192

Subject.

Bellary Match Factory - sale of

SECRETARY TO GOVT
25 OCT 1929

ENCLOSURES.
No.
Spare copies

No. 698-A/29

Station Madras, *Dated the* 22nd October 1929.

From (*Name*) M.R.Ry Diwan Bahadur A.Appadurai Pillai Avl.,M.A.

(*Designation*) Director of Industries

To The Secretary to the Government of Madras,

Development *Department.*

Sir,

Ref: Government Memo.No.3286-11/28-12 dated 7th Oct.1929

p114 infra

I enclose a copy of letter dated 15th October 1929 received from the Government Solicitor in reply to my reference to him on the subject. In view of the Government Solicitor's observation, it would seem advisable to postpone the sale of the machinery too for a month or so. If Government agree to this suggestion, it may not be necessary to proceed against the site and buildings separately as by the time the award is given, the time suggested by the

Government Pleader, Bellary will also be over.

Although the Insurance company was asked to withhold payment pending further advice, no formal notice was given to it of the Government's interest in the subject matter of the policy. I am consulting the Government Solicitor as to whether a legal notice should issue. On hearing from him I shall submit a report to Government.

for Director of Industries.

Copy of letter dated 15th October 1929 from the Government Solicitor, Madras, to the Director of Industries.

Muthyala Seenappa Ramanna, Proprietor, Bellary Match Factory

I have the honour to acknowledge receipt of your letter No.698-A/29 dated the 9th instant.

I think that your Department is better able tojudge of the expediency or advisability or otherwise of bringing the properties in question to sale before the damage by fire has been assessed than I am. From a legal point of view there seems to be no objection to postponing the sale until the damage so done has been ascertained provided that such delay will not prejudice the value of the machinery. This delay will probably assist the party to recover as much as possible from the Insurance Company and this is of some importance inasmuch as I understand the proceeds of this insurance are to be paid to Government, I presume that you have given notice to the Insurance Company of the Government's interest in the subject matter of the policy.

Sec. Dept

O.m No 3286-II/28-13 dated 8.11.29

[Ref: Dir's letters No 698 A/29 dated 14.10.29 and No 698-A/29 dated 22.10.29 – Bellary Match Factory – Partition Suit against Mr Ramanna – Sale of Machinery].

The Govt agree with the Director that the threatened suit may be awaited. They also agree with the Director's view of the ~~[illegible]~~ that it would be advisable to postpone sale of machinery and buildings until the arbitrators have given their award

Dpd. by Van
12/11/29

S.A.
7.11.29

S.A.

Dir of Industries

Q. No 1/10 3286 I/28-14 dated 8-11-29

[Subject - Bellary Match Factory - fire accident - claims from New India Assurance Co. - Arbitration proceedings].

A sum of Rs 20,000/- has been advanced by the Govt in Sept 1927 under the State Aid to Industries Act to one Mr. Muttyala Seenappa Ramanna, proprietor of a match factory at Bellary on the security of the factory site and buildings and of the machinery installed therein. A copy of the Govt order sanctioning the loan and of the mortgage deed executed by the proprietor are enclosed for reference and return.

2 The match factory which was insured with the New India Assurance Co. for a sum of Rs 48,000 caught fire in Nov 1928 and the proprietor sustained damage in respect of machinery and building. Mr. Ramanna having failed to repay instalments of Govt loan in accordance with the terms of the

Security and subsequently with another notice demanding repayment of loan within three months (copies of which are enclosed). During the differences of opinion between the proprietor and the Insurance Company in the matter of claim for damages, it is understood that the matter is now before the High Court, ~~then the High Court~~ who have referred the claim to arbitration and have nominated one arbitrator on behalf of Govt. Mr. Ramanna has no objection to Govt appropriating whatever sums may be decreed in his favour as payable by the Insurance Co.

3. The Govt Pleader, Madras is requested to get into touch with the arbitrator nominated on behalf of Govt, to watch the progress of the arbitration proceedings and to take steps to secure the amount that may be decreed. He is requested to address the Dn of Industries, Madras for further information if necessary.

Van
Dpd. by ~~Post~~ ~~Messenger~~
12/11/18

DEPARTMENT.

Received ..... 192 *Registered* 26 NOV 192

Subject.

Bellary Match Factory - Insurance - Arbitration proceedings.

ENCLOSURES.
No. .....
.....
Spare copies .....

No. 698 A/29

Station Madras, *Dated the* 15th November 1929 192

From (Name) M.R.Ry., Dewan Bahadur A. Appadurai Pillai Avl., M.A.,

(Designation) Director of Industries.

To The Secretary to the Government of Madras,

Development Department.

Sir,

Ref:- Correspondence ending with Government Memorandum No. 3286-II/28-13 & 14 dated 8th November 1929

In continuation of paragraph 2 of my letter No. 698 A/29 dated 22nd October 1929, I enclose herein a copy of the reply received from the Government Solicitor. I am addressing the Government Pleader and I am taking steps to carry out the suggestion of the Government Solicitor.

for Director of Industries.

Copy of letter from C. Moresby, Government Solicitor, Madras, No.2725 dated 6th November 1929 to the Director of Industries, Madras.

Beklary Match Factory.

I have the honour to acknowledge receipt of your letter No. 698 A/29 of the 22nd ultimo sending copy of the letter sent to the New India Assurance Co. Ltd. I consider the ~~xxxxxx~~ letter sufficient notice of Government's claim to the Insurance money and when the damage done has been ascertained a demand can be made for payment of the same on behalf of Government.

----oOo-----

K.N.N.16.11

Dev 3 718 II
2.1.11.29

O.F. 30.

Judicial **DEPARTMENT.**

Received ..... 192 *Registered* 21 NOV 192

Subject.

Bellary Match Factory - Fire accident - claims from New India Assurance Company - Arbitration proceedings.

ENCLOSURES.
No. .....
.....
Spare copies .....

No. 1199.

Station M A D R A S. *Dated the* 20th November 1929 192

From (Name) M.R.Ry.,P.Venkataramana Rao Avl.,

(Designation) Government Pleader, Madras.

To The Secretary to the Government of Madras,

Development Department.

Sir,

With reference to Government Memorandum Pp.116-117 No. 3286-II/28-14, dated 8th November 1929, I have the honour to state as follows:--

In the above matter, all that I have been able to ascertain is that the matter is not before the High Court and no arbitrator has been nominated on behalf of the Government. It appears that two arbitrators have been nominated on behalf of the parties in pursuance of an arbitration clause in the contract between the

parties viz., A.S.Killick of Messrs. MacDowell & Co on behalf of the Insurance Company and Mr.Lakshmi-Narayana Rao on behalf of Mr. Ramanna. The two arbitrators had to agree to an umpire in case of difference between them but as they could not agree the High Court was moved on behalf of Mr.Ramanna and Mr.Adlard of South Indian Export Co., was appointed umpire by an order dated 4-10-1929. Mr.T.Pattabirama Iyer who was acting on behalf of Mr.Ramanna is no longer acting for him and he is not in a position to state who is representing Ramanna. Further, it will be seen that no arbitrator has been appointed on behalf of Government. The above matter is not one which comes within the scope of my duties as defined by G.O.2306/Law(General) dated 19.9.1923. However, if it is desired that I should get into touch with the arbitrators and get leave to watch the proceedings before him, I would have to be paid a separate fee. I await further instructions in the matter.

I have the honour to be,
Sir,
Your most obedient servant

M Venkataiah
Government Pleader.

Sen. 25/11

122

Q. m No. 3286 II/28-15 dt 22.11.29

[Repc: correspondence with the Director's letter No. 69 8A/29 dated 15.11.29 - Bethany Match Factory - Insurance claims - Arbitration Proceedings]

Copy of a letter from the Govt Observer, Madras No. 1199 dated 20.11.29 ; forwarded to the Director of Industries for very early remarks

pp 120-121 CF.

SR
22/11

T.O.

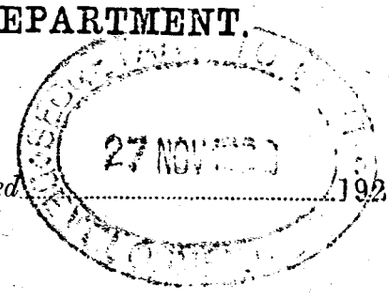
Director of Industries. 25.11.
22.11.29

Reminder on 1.12.29

Dpt. by
Dpt. initials
Date 1931

27-11-29 O.F. 30.

DEPARTMENT.



Received ..... 192 . *Registered* 192

Subject.

Bellary Match Factory - Insurance - Arbitration proceedings.

ENCLOSURES.
No. .....
.....
Spare copies .....

No. 698A/29

Station Madras, ..., *Dated the* 26th November 1929.

From (Name) M.R.Ry., Dewan Bahadur A. Appadurai Pillai Avl., M.A.,

(Designation) Director of Industries,

To The Secretary to the Government of Madras,

Development Department.

Sir,

I gather from the letter addressed to Government by the Government Pleader dated 20th November 1929, copy of which has been communicated to me, that he is somewhat reluctant to watch the arbitration proceedings on behalf of Government. As Government money to the extent of Rs.20,000/- is at stake, I suggest that the separate fee asked for may be paid to the Government Pleader.

Pp 120-121 ante
The same letter which has been referred to this D.I. for comments in the O.M. ante p 122 ante

for Director of Industries.

124

Gen. Dept.

6/2.12

Dep.

O.m. No. 3286 II/28-16 30.11.29

[Repe: Govt Pleader's letter No. 1199 dated 20.11.29 – Bellary Market Factory. Fire Accident – Insurance claims – Arbitration Proceedings]

The Govt Pleader, Madras is informed that, in the circumstances stated by him, the Govt need not take any action in regards the proceedings pending before the Umpire appointed by the High Court. The Govt consider that it will be sufficient if the Govt Pleader obtains and sends to the Director of Industries a copy of the award of the Umpire immediately it is received by the High Court. It is presumed that the award will be sent to the High Court as the Umpire.

Dpd. by Van / Post / Messenger

Dpd. on 2/12

Date 192

To

The Govt Pleader, Madras. 27.11.29. has been appd, under its copy to the Dir of Industries. [illegible]

Reminder 12/2

RR 27 XI.

125

D 176-15
15-1-30

No.

Government Pleader's Office,
High Court,
Madras, 10th January 1930.

Opinion No. 3.

15 JAN 1930

From

M.R.Ry.,P.Venkataramana Rao Avl.,

Government Pleader, Madras.

To

The Director of Industries,

Chepauk, Madras.

Sir,

Bellary Match Factory - Fire accident - Insurance claims - Arbitration Proceedings - copy of award forwarded.

Issued

I have the honour to forward herewith a copy of the award passed by the Umpire in the arbitration proceedings between the New India Assurance Co.,Ltd. and Muthiala Ramanna.

I have the honour to be,
Sir,
Your most obedient servant,

Sd. P.Venkataramana Rao

Government Pleader.

No.

Copy communicated to the Secretary to Government, Development Department, for information with reference to Government Memorandum No.3286 II/28-16, dated 30-12-29.

The records received for reference are herewith returned.

O/F. 36.

DEPARTMENT.

Received.....192 *Registered*.....192

Subject.

Bellary Match Factory - Insurance claims - Arbitration Proceedings.

ENCLOSURES.

No.

Spare copies

No. 115-A/30.

Station Madras, *Dated the* 19th February 1930

From (Name) M.R.Ry Dewan Bahadur A.Appadurai Pillai Avl., M.A.,

(Designation) Director of Industries,

To The Secretary to the Government of Madras,

Development Department.

Sir,

Reference: Government Memorandum No.3286-II/28-16 dated 30th November 1929 to the Government Pleader.

I enclose a copy of the award passed by the Umpire in the arbitration proceedings between the New India Assurance Co., Ltd., and Muthyala Ramanna, communicated to me by the Government Pleader. Immediately on receipt of the above, I wrote to the insurance firm asking them to pay the amount of the award into the Imperial Bank of India to the credit of Government but as they wanted the loss voucher to be signed by Ramanna in order to legalise the settlement of

I wrote to him also asking for the necessary authorisation and enclose a copy of his reply. I suggest that the progress of his appeal may be watched by the Government Pleader, the special fee he originally asked for being paid if necessary. I have also addressed Ramanna again asking him to authorise Government to receive the amount already awarded by the arbitrators and I shall communicate the result to Government.

p 130 infra

vide p 121 Supra

V Kumar

for Director of Industries.

G.M.

(Copy)

INDIAN ARBITRATION ACT OF 1899.

Between:

The New India Assurance Co., Ltd.,

and

Muthiala Ramanna.

Award.

I have had the parties before me together with the Arbitrators on the 26th, 28th and 29th October, 1st, 5th, 13th and 15th November. I have carefully considered the evidence and the correspondence referred to during the hearings. I have asked the Arbitrators whether they are agreed, and their reply is that they are not. Arbitrator II, Mr.Lakshminarayan Rao states heconsiders that the Award should be Rs.60,000/-. Arbitrator I, Mr.A.S.Killick, states he considers the award should be Rs.5,673-10-6.

In my opinion the proper sum to be awarded is Rs.7,673-10-6 and I award this sum to the Assured in full settlement of this claim. The total is made up as follows:

(a) Buildings.	Rs.	500	0	0.
(b) Machinery		5,000	0	0.
(c) Stock		2,173	10	6.
	Rs.	7,673	10	6.

As to costs they appear to be as follows:-

This has been a long case, and the Arbitrators have had numberous Meetings.

My fees are Rs.350/-.

Arbitrator I, who was appointed in March last and has been involved already in two abortive enquiries owing to the retirement of the Arbitrator for the other side, suggests that he should be paid Rs.750/-. I think this is a reasonable claim and allow it.

Arbitrator II, who was appointed on June 29th suggests that he should be paid Rs.400/- I think this is a reasonable claim,

Mr.Lockley who attended two hearings Rs.30/- and
Mr.Green who attended one hearing Rs.15/-.

The costs of the application to the High Court for the appointment of an Umpire, Rs.35/-, and the stamp on this award Rs.11-8-0 are included.

Total costs:

Umpire	Rs. 350	0	0.
Arbitrators	1,150	0	0.
Mr.Lockley	30	0	0.
Mr.Green	15	0	0.
Cost of application for Umpire	35	0	0.
Stamp	11	8	0.
	Rs.1,591	8	0.

I think costs should be divided, half to be paid by the Assured and half by the Insurance Company.

A sum of Rs.500/- towards the costs of arbitration has been deposited with the South Indian Export Co.,Ltd., half being provided by the Assured and half by the Insurance Company.

4, Mclean Street,
Madras,
27th November 1929.

F.A.Adlard,
UMPIRE

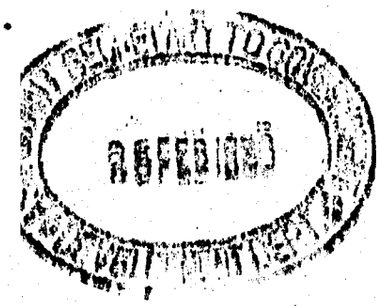
Copy of letter dated 28th January 1930 from Muthyala Ramanna Match Factory, Bellary to the Director of Industries, Madras.

Your letter dated 23rd instant. I beg to state that I am disputing the amount awarded to me in the Arbitration and that I have filed an application in the High Court to set aside the award. I am advised that in the circumstances I cannot authorise the New India Assurance Company to pay to Government the amount of the award.

131

D 760.4
25/2/30

The Bellary Match Factory Vs. The New India Assurance Co., - copy of award passed by the Umpire forwarded.



No. 298.

Madras, 24th February 1930.

From

M.R.Ry.,P.Venkataramana Rao Avl.,
Government Pleader, Madras.

To

The Secretary to the Government of Madras,
Development department, Madras.

Sir,

With reference to your telephonic message dated the 20th February 1930, I have the honour to forward herewith a copy of the award passed by the Umpire in the arbitration proceedings between the Bellary Match Factory and the New India Assurance Co.

I have the honour to be,
Sir,
Your most obedient servant,

P Venkataramana Rao
Government Pleader.

INDIAN ARBITRATION ACT OF 1899.

Between:

The New India Assurance Co. Ltd.,

A n d

Muthiala Ramanna

A W A R D.

I have had the parties before me together with the Arbitrators on the 26th, 28th and 29th October, 1st, 5th, 13th and 15th November. I have carefully considered the evidence ~~the evidence~~ and the correspondence referred to during the hearings. I have asked the Arbitrators whether they are agreed, and their reply is that they are not. Arbitrator II, Mr. Lakshminarayan Rao states he considers that the award should be Rs.60,000/-. Arbitrator I, Mr. A.S. Killick, states he considers the award should be Rs.5,673-10-6.

In my opinion the proper sum to be awarded is Rs.7,673-10- and I award this sum to the Assured in full settlement of this claim. This total is made up as follows:

(a) Buildings	..	Rs. 500	0	0
(b) Machinery	..	5,000	0	0
(c) Stock	..	2,173	10	6
		Rs.7,673	10	6

As to costs they appear to be as follows:-

This has been a long case, and the Arbitrators have had numerous Meetings.

My fees are Rs.350/-

Arbitrator I, who was appointed in March last and has been involved already in two abortive enquiries owing to the retirement of the Arbitrator for the other side, suggests that he should be paid Rs.750/-. I think this is a reasonable claim and I allow it.

Arbitrator II, who was appointed on June 29th, suggests tha he should be paid Rs.400/-. I think this is a reasonable claim, and I allow it.

I consider a fair fee for the expert witness.

Mr. Lockley who attended two hearings Rs.30/- and

Mr. Green who attended one hearing Rs.15/-

The costs of the application to the High Court for the appointment of an Umpire Rs.35/-, and the stamp on this award Rs.11-8-0 are included.

Total costs:-

Umpire	..	..	Rs.350 0 0
Arbitrators	..	..	1,150 0 0
Mr. Lockley	..	..	30 0 0
Mr. Green	..	..	15 0 0
Cost of application for Umpire		..	35 0 0
S t a m p	..	..	11 8 0
			Rs.1,591 8 0

I think costs should be divided, half to be paid by the Assured, and half by the Insurance Company.

A sum of Rs.500/- towards the costs of arbitration has been deposited with the South Indian Export Co. Ltd., half being provided by the Assured and half by the Insurance Company.

4, McLean Street,
M a d r a s
27th November 1929

(Sd.) F.A. Adlard
Umpire.

Certified to be a true copy
Dated this 21st day of February 1930.

Bench Clerk, O.S.,

CRG.21/2

INDIAN ARBITRATION ACT

of 1899.

Between:

The New India Assurance

Co. Ltd.

A n d

Muthiala Ramanna.

A W A R D.

Dir. Sept.

O. m. No 3286 II/28-1-29 7.3.1930

[Subject: Correspondence ending with the Govt Pleader's letter No. 298 dated 28.2.30 - Railway Match Factory - Fire accident - Insurance claims - Arbitration Proceedings - Copy of award]

The Govt understand that Muthyala Ramanna has filed an application in the High Court to set aside the award of the Umpire dated 27.11.29. The Govt Pleader is requested to communicate to the Director of Industries the orders of the High Court on the application, immediately they are passed.

RR
7.3.

To
The Govt Pleader, Madras
Copy to the Dir of Industries

7.3.1930

Dpd. by Van / Post / Messenger 8/3

Dpr's. initials

135

13/3

Bellary Match Factory - fire accident - insurance claims - arbitration proceedings - copy of award.

13 APR 1930
DEVELOPMENT DEPARTMENT

No. 365. Madras, 10th March 1930.

From

M.R.Ry.,P.Venkataramana Rao Avl.,
Government Pleader, Madras.

To

The Secretary to the Government of Madras,
Development Department, Madras.

Sir,

p 184 supra.

With reference to Government Memorandum No.3286-II /28-17, Development Department, dated the 7th March 1930 I have the honour to state that the application referred to in the Government Memorandum is a matter coming on the original side of the High Court. As appearing or conducting cases on the original side of the High Court does not come within the sphere of my duties as defined in G.O.No.2306 Law (General), dated the 19th September 1923, I have the honour to request that the Government Solicitor may be addressed in the matter.

I have the honour to be,
Sir,
Your most obedient servant,

P Venkataramana Rao

Government Pleader

Keep with Encls. for 15-day 19/8/30 (where advance for Encls.)

O. m. No. 3286 II / 28-18 of 19.3.30

[Belgium - Bellary Match Factory - fire accident - claims from New India Assurance Co. - arbitration proceedings - Award of Umpire]

Cas. 1320 Dim 25.8.27 (Q)

A sum of Rs 20,000/- has been advanced by the Govt. in Sept. 1927 under the provisions of the Madras State Aid to Industries Act 1922. to one Mr. Muthyala Veeraraghava Kamamma, proprietor of a match factory at Bellary for the security of the factory site and buildings and of the machinery installed therein. Copies of the Govt. order sanctioning the loan and of the mortgage deed executed by the proprietor are enclosed for reference and retention.

(X)

2. The match factory which was insured with the New India Assurance Co. for a sum of Rs 48,000/- caught fire in Nov 1928, and the proprietor sustained damage in respect of machl.

having failed to repay instalments of Govt loan in accordance with the terms of the mortgage deed, was first served with a notice demanding fresh security and subsequently with another notice demanding repayment of the loan within three months (copies of which are enclosed). p 18 CF. p 35 CF (pp 17 & 29 CF)

Owing to differences of opinion in the matter of assessment of claim for damages between the two arbitrators nominated by the Corporation and the Insurance Co. in pursuance of an arbitration clause in the contract between the parties, and as the arbitrators could not agree to an umpire, the High Court was moved on behalf of Mr Ramanna and an umpire was appointed by an order of the High Court dated 4.10.29. A copy of the award passed by the Umpire dated 27.11.29 is enclosed. The Court understand that Mr Ramanna has filed an application in the High Court to set aside the award of the Umpire. pp 120-121 CF p 121 CF. pp 128-129 CF. p 130 CF.

135 3

whatever costs may be awarded to in his favour. The Crown Solicitor is requested to watch the progress of Mr Ramannai's appeal to the High Court and to communicate to the Sri of Industries the orders of the High Court thereon immediately they are passed.

RR
19.3.

To The Crown Solicitor, Madras. ✓ D.R.
19.3.30.

Copy to the Sri of Industries, ✓
Chepauk.

DRR
19/3/30

INDUSTRIES DEPARTMENT.

Received ..... 192 . *Registered* 192

Subject.

Bellary Match Factory - Fire Accident - Insurance claims - Arbitration Proceedings.

ENCLOSURES.
No. .....
.....
Spare copies .....

No. 115-A/30

Station Madras, *Dated the* 18th March 192 30

From (Name) M.R.Ry. Dewan Bahadur A. Appadurai Pillai, Avl., M.A.,
(Designation) Director of Industries.

To The Secretary to the Government of Madras,
Development Department.

Sir,

The Government Pleader, Madras has sent me a copy of letter dated 10-3-30 addressed to Government stating that, as the application filed by Mr. Muthvala Seenappa Ramanna comes on the original side of the High Court, the Government Solicitor may be addressed in the matter. I request therefore that necessary instructions may kindly be issued to the Government Solicitor to watch proceedings and to report th orders of the High Court on the application when passed.

P 135 Supra

Dev Dept

A.S.
The Govt Solicitor has al
been addressed vide O.M. dt 17/3/30 136-138 Supra
no further action is called for
S.R.

Dev-1295-4
4-4-30

32-(a).

In reply, please quote number, date and short title. *

.....DEPARTMENT.

Received.....*Registered*.....

UNDER SECRETARY TO GOVERNMENT
4 - APR 1930
DEVELOPMENT DEPARTMENT

From (Name) **Arthur Thomas,**

(Designation) **Government Solicitor,**

Post Box....., (Station) **M a d r a s.**

Telegraphic Address.....

To The **Secretary to Government,**

Development Department,

M A D R A S.

No. 809 ; *dated* 2nd April 1930.

Sir,

Enclosures.....

Spare Copies.....

I have thehonour to acknowledge receipt of your Memorandum No. 3286/228-18 dated 19th March 1930.

2. The hearing of the application by Mr. Ramanna to set aside the award of the Umpire was concluded this aft noon. I was watching the said proceedings in the Court an beg to report that Mr. Justice Eddy set aside the award of the Umpire on the ground of legal misconduct of the Arbitra and the Umpire.

3. All the papers received by me with the above Mem

141

2

Memorandum are herewith returned.

I have the honour to be,

Sir,

Your obedient Servant

CG/GS. 810

GOVERNMENT SOLICITOR.

Copy to the Director of Industries.
Madras.

DEVELOPMENT DEPARTMENT.

****

Memorandum No.3286-II/28-18, dated 7th April 1930.

Reference: Government Solicitor's letter No.809 dated 2nd ~~February~~ April/1930 - Bellary Match Factory - Fire accident - Award of umpire - Setting aside of by the High Court.

The Government Solicitor is requested to forward a copy of the High Court's order and to report the further action that Government should take to recover their dues from the proprietor Bellary Match Factory. He will observe from the correspondence ending with his letter to the Director of Industries dated 15th October 1929 that the sale of the mortgaged property was postponed pending the results of the arbitration proceedings.

p 114 supra

R. Ramaswami Ayyangar,
Assistant Secretary to Government.

To the Government Solicitor, Madras.

Copy to the Director of Industries, with copy of Govt. Solicitor's letter.

Reminder 1.5.30

In reply, please quote number, date and short title.

Received 10 APR 1930 Registered

From (Name) M.R.Ry. Dewan Bahadur A.Appadurai Pillai Avl. M.A.,

(Designation) Director of Industries,

Post Box 432 (Station) Madras

Telegraphic Address DINDUSTRY

To The Government Solicitor,

Madras.

No. 115-A/30, dated 8th April 1930

Sir,

Reference:- Your letter No.809 dated 2nd April 1930.

Subject:- Muthyala Seenappa Ramanna's Match Factory, Bellary.

Enclosures

Spare Copies

Since the award of the Umpire has been set aside by Mr. Justice Eddy, I presume that it is for Mr. Ramanna to take further action to recover the cost of damage from the Insurance Company. I suppose that this means that the matter has again to be referred to arbitration. If this is so, I shall be glad to have your advice as to the course of action Government should take in regard to the recovery of the loan amount from Mr. Ramanna.

Sd.L.B. GREEN,
for Director of Industries.

VNS/9.4

Copy submitted to the Secretary to Government, Development Department with reference to Government Memorandum No. 3286 II/28-18 dated 19th March 1930.

for Director of Industries.

Dev. Sec.

Submitted for perusal.

INDUSTRIES DEPARTMENT.

144

Received 5 - MAY 1930 ..... 192 . Registered ..... 192 .

Subject.

Bellary Match Factory - Recovery of Loan - Fire Insurance.

D.R. 25/30

ENCLOSURES.

No .....

.....

Spare copies .....

No. 115-A/30

Station Madras Dated the 28th April 1930 192/

From (Name) M.R.Ry. Dewan Bahadur A. Appadurai Pillai Avl., M.A.,

(Designation) Director of Industries, Madras

To The Secretary to the Government of Madras,

Development Department

Sir,

p.142 Supra

Reference:- Government Memorandum No. 3286-II/28-18 dated 7th April 1930.

M.R.Ry. Ramanna has, I understand, filed a suit in the High Court, Madras, for recovering the damage from the Insurance Company, a copy of his letter is enclosed herein. The Government Solicitor may be asked to watch the progress of the suit. p.14

As regards recovery of the loan, I am awaiting the advise of the Government Solicitor as to the steps to be taken to effect the same.

Copy of letter dated 15-4-1930 from Muthyala Seenappa Ramanna, Proprietor, Match Factory, Bellary to the Director of Industries, Madras.

In reply to your letter No. 115-A/30 dated 8th April 1930 I beg to state that I have already filed a suit in the High Court, Madras, in order to recover the damage from the Insurance Company.

---oOo---

VNS

C.F. 32

6-5-30

In reply, please quote number, date and short title.

DEPARTMENT.

Received..... *Registered*.....

SECRETARIAT
6 - MAY 1930
DEVELOPMENT DEPTT.

From (Name) Arthur Thomas,

(Designation) Government Solicitor,

Post Box....., (Station) Madras.

Telegraphic Address.....

To The Secretary to Government,
Development Department,
Madras.

No. 1020, *dated* 3rd May 1930.

Sir,

Enclosures.....

Bellary Match Factory - Fire Accident
Award of Umpire.

Spare Copies.....

I have the honour to acknowledge receipt of your memorandum No.3286-II/28-18 of the 7th April 1930.

2. I have applied for a copy of the order of Mr.Justic Eddy and will do my best to obtain same though Government of course is not a party to these proceedings.

3. Having regard to the facts that the Arbitration award has been set aside and that it is inevitable that considerable delay will now take place before the question at issue between the Proprietor of the Match Factory and the Insurance Company can be settled, I think it would be advisable for Government to exercise their power of sale. Before sale it would be certainly helpful to the Proprietor to give him reasonable notice (say six weeks) of the Government's intention to exercise such power of sale so that he may if necessary take steps to have the damage again assessed before the property is brought to sale. It will also of course be necessary in the usual way to advertise the property for sale by public auction. The notice to the Proprietor should be expressed to be an informal notice of Government's intention to proceed with the sale.

I have the honour to be,
Sir,
Your obedient servant,

O. on No. 3286-I/28-19 dated 16.5.30

[Agree: on correspondence ending with the S.L's letter No. 115-A/30 - Bellary Match Factory - Recovery of loan]

p 14 b cf. 16/5.

16/5

16/5

Dp two memos 16/5

p 14 b cf.

Copy of letter No. 10 20 dated 3.5.1930 from the Govt Solicitor, Madras is forwarded to the Secy of Industries. The Secy is requested to submit very urgently in consultation with the Govt Solicitor a draft notice of Govt's intention to exercise the power of sale to be served on the Proprietor of the Bellary Match Factory.

RR
13/5.

S.N.
8.5.30.

Sd
13/5

To
The Secy of Industries
(with copy of letter at p 14 b cf)
Reminder to Govt 1.6.30

Dpd by	Van / Post / Messenger
Dpr's initials	16/5
Date	132

Dm. Dept

O. m No 3286 II/28-20 dated 16-5-30

[Appu: correspondence ending with the Crown Solicitor's letter No 1020 dated 3.5.30 - Bellary Match Factory - Recovery of loan]

The Crown understand that M.R. Ry Muthyala Seenappa Ramanna, Proprietor of the Bellary Match Factory has filed a suit in the High Court for recovering the damage from the Insurance Company. The Crown Solicitor is requested to watch the progress of the suit

RS
13.5.

To
The Crown Solicitor, Madras
Copy of the suit of Insurance.
8.5.30

Dtd by Van / Post / Messenger
Dpr's initials
Date 16/5 . 192 .

149

29-5-30

C.F. 32(1).

In reply, please quote number, date and short title *

.....DEPARTMENT.

Received.....*Registered*.....

From (Name) **Arthur Thomas,**

(Designation) **Government Solicitor,**

Post Box....., (STATION)..... **Madras.**

Telegraphic Address.....

To The **Secretary to Government,**
Development Department,
Madras.

Dev. Dept.
To A.S.
Submitted for perusal.
2 The D.J's reply to the O.M. at p 142 may be awaited.
Remind on 10/6/30
RC 30/5.

No. [illegible], *dated* 27th May 1930.

29.5.30.

Sir,

***Re: Bellary Match Factory - Recovery of loan.**

With reference to the memorandum No.3286 II/28-20 dated the 16th May 1930, I will watch the suit stated to have been instituted by Muthyala Seenappa Ramanna against the Insurance Company and advise Government in due course.

I have the honour to be,
Sir,
Your obedient servant,

Arthur Thomas
Government Solicitor.

ENCLOSURES ..... p 142 and

SPARE COPIES .....

KIS/MSR

O.F. 30.

DEPARTMENT.

Received ..... 192 . Registered ..... 192 .

ASSISTANT SECRETARY TO GOVERNMENT
4 - JUN 1930
DEVELOPMENT DEPT.

Subject.

Muthiyala Seenappa Ramanna - notice - recovery of loan.

ENCLOSURES.
No. .....
.....
Spare copies .....

No. 115A/30.

Station Madras, Dated the 31st May 1930. 192/ .

From (Name) M.R.Ry Dewan Bahadur A.Appadurai Pillai Avl., M.A.,

(Designation) Director of Industries,

To The Secretary to the Government of Madras,

Development Department.

Sir,

Reference:- Government Memorandum No.3286-II/28-~~29~~ 19 dated 16th May 1930.

I enclose herein the draft notice, drawn up by the Government Solicitor notifying Government's intention to exercise the power of sale, to be served on the Proprietor of the Bellary Match Factory. The date of the notice, the name of the Government auctioneer and the date fixed for the sale have to be inserted in the notice.

The date of the present notice will be the date on which it is signed by the Secretary to Government, Development

dated 1st February 1929. As regards the name of the Government auctioneer, as no orders have been issued on my letter No.578 -A/29 dated 13th August 1929, submitting for the approval of Government the terms of Messrs:Zackria Sait & Son, I leave the name to be filled by Government. As the Government Solicitor has suggested a six weeks notice, a day in the middle of July 1930 may be inserted as the date of sale. Any date from the 14th to 18th July would be suitable.

for Director of Industries.

G.M.2/6.

DRAFT NOTICE.

10th ~~MAY~~ June 1930.

To

M.R.Ry.

Muthyala Seenappa Ramanna Garu,

Proprietor,

Match Factory,

B E L L A R Y.

In pursuance of the notice dated 31st January 1929 served on you on behalf of the Secretary of State for India in Council demanding payment within 3 months of the date thereof of the amount due to him under the mortgage deed dated the 23rd day of September 1927 executed by you in his favour and giving you notice that in default of payment as required therein he would proceed to sell the property mortgaged to him, notice is hereby given that Messrs. Zackria Saib & Sons, Bellary Government auctioneers have been instructed to sell the said mortgaged properties by public auction on Monday the ~~27~~ 28th July 1930.

Messrs. Zackria Saib & Sons, Bellary.

(Giving notice that the auction was postponed to 28th July 1930.)

Yours faithfully,

SMR

Secretary to the Government of Madras.
Development Department.

Dup. Secy

153

Q. — No. 3286 I/28-21 Dated 10 May 1930

Secy to Govt. 10/6/30.

[Subject: Correspondence relating with the D.C.'s letter No. 11-A/30 dated 1.5.30 - Bellary Match Factory - Recovery of loan. Notice to be served on the Proprietors: Sale of property in auction]

pp. 150-152 cf.

p. 89 cf.

The Govt. accept the terms demanded by Messrs Lakshmiapaiah and Sons Bellary for undertaking the auction sale of the Match Factory viz: 3 p.c. Commission if the factory is sold; Rs 200/- to meet the advertisement charges if it is not sold. They approve the Director's recommendation in in para 2 of his letter No. 5784/29 dated 13.8.29, in regard to the advertisement of the auction. Copies of the drafts of the proposed advertisement in the Gazette and in the Daily paper are enclosed, as amended and approved.

p. 85 cf.

pp. 86-87 cf.

Two copies of the notice duly signed by Secretary are forwarded to the Director. He

at once.

3 The Collector of Bellary is requested to arrange for wide publication of the sale of the mortgaged properties in question in consultation with the Dist of Chittoor and also to instruct the Revenue Divisional officer, Bellary to watch the sale on behalf of Govt.

RR
7.6.30.

Cf paras 2 & 3 of the G.O. dt. letter at p 85 CP.

10/6/30

Record in of Govt order is with two signed copies of notice, and copies of advertisements in the papers as local delivery in Bellary and (2) in Papers.

[1] p 86-87 CP

Copy to the CM of the Bellary with copy of DC's letter 5/8 & 10/8-29,
2) copy of notice, and copies of
3) advertisements.

155

Development Dept.

O.M. No 3826 II/28.22 dj 3.7.30

Ref. O.M. No 3286 II/28.21 dj 10-6-1930.

Bellary Match factory – Recovery of loan – Sale of property in auction.

Two copies of the revised notice signed by the Secretary ~~altering~~ correcting the date of sale of the property to Monday, the 28th July 1930 are forwarded to the D.I. The Director is requested to serve the revised notice on Mr. Muthyal Seenappa Ramanna immediately. He is also requested to inform ~~the~~ Messrs Zackria Sait & Sons, Bellary of the alteration in the date of sale and to see that the altered date is published in the Gazette, ~~and also the~~ newspapers etc.

To

The D.I (with 2 copies of revised notice signed by Secretary) AM 30.6.30

Copy to the Coll. of Bellary (with copy of

RC 30.6.

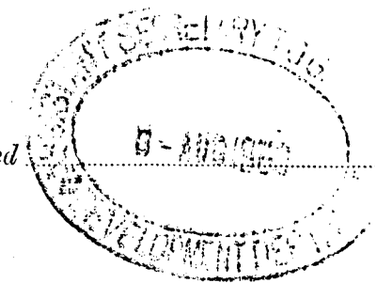
2.7.30

Dev. 2554-II
11-8-30

156

C.F.

DEPARTMENT.



Received 9-AUG 1930 19 . *Registered* 19 .

Subject.

Bellary Match Factory - auction of -

ENCLOSURES.

No.

Spare copies

No. 115-A/30.

Station Madras, *Dated the* 7th August 1930.

From (Name) M.R.Ry Dewan Bahadur A.Appadurai Pillai Avl., M.A.,

(Designation) Director of Industries,

To The Secretary to the Government of Madras,

Development Department.

Sir,

Reference:- Correspondence resting with Government Memorandum No.3826-II/28-22 dated 3rd July 1930.

--

Prior to the date of sale, Muthyala Lakshmamma, mother and guardian of the minor sons of Muthyala Ramanna filed a suit in the Bellary Munsiff's court for partition as threatened in the notice served in August 1929 and also petitioned the court praying for a temporary injunction restraining Government from proceeding with the sale. The suit stands posted for hearing to October 1930 and I am in correspondence

Government Pleader to oppose it on the strength of the materials av able with him, as there was little time for him to consult me in the matter. I learnt subsequently that an injunction order was served on the auctioneers restraining them from selling 2/3rds of the land and building and permitting the sale of the machinery.

It was therefore possible for the auctioneers to offer for sale only 1/3rd of the site and building and the entire machinery. I enclose for reference and return the auctioneer's letter dated 28th July 1930 and its enclosure.

2. The Industrial Engineer considers that in the present condition of the machinery the bid of Rs.4,500/- for the entire machinery is fair and suggests that it may be accepted and the sale confirmed.

3. A sum of about Rs.24,000 inclusive of interest is due from Ramanna and there is the possibility of 2/3rds of the site and building not being available for Government for the realisation of the Government dues. As Government have a claim over the amount that may be awarded as damage, recoverable from the Insurance Co., in respect of the machinery and stock, it should be possible to collect at least about Rs.15000, if not more. In case the partition suit is decreed in favour of the minors, Government will have to be content with this amount.

4. I request the favour of very early orders as to whether I may accept the bid of Rs.4500/- for the machinery.

Since the date of sale I have had an enquiry from a Bombay firm asking for specification and details of the machinery. I enclose the letter herein. It does not seem worthwhile prolonging the matter further with fresh correspondence.

for Director of Industries.

G.M.7/8.

x. cheque retained.

TELEGRAPHIC ADDRESS: "ZACKRIASAIT"

ZACKRIA SAIT & SONS

GENERAL MERCHANTS, COMMISSION AGENTS, CONTRACTORS, GOVT. & PUBLIC AUCTIONEERS AND LAND-LORDS

144, FORT

(115 A/30) 1549 A/ 30.7.30

No.

Bellary, 28th July 1930.

The Director of Industires,
P.O.Box432, Chepauk,
M A D R A S.

DIRECTOR OF INDUSTRIES
30 MAY 1930

Sir,

We have pleasure in informing you that the sale of the Match Factory Machinery only was ~~xxxx~~ conducted by us today in the presence of The Revenue Divisional Officer, Bellary subject to confirmation by you, under the following circumastances.

In our letter of the 25th instant we had informed you that it had been found very difficult for us to get access to inspect the factory. On the 26th instant the Tahsildar of Bellary with great difficulty kindly arranged to have the factory opened and intending purchasers had an oppertunity of inspecting the factory.

On the 26th evening we received an injunction order from the District Munsiff of Bellary restraining us from selling 2/3rds of the land and building and permitting the sale of Machinery. Your telegram of the same date was also received by us late at night.

Today the factory was opened at 12 Noon and when it was announced to intending purchasers that the machinery and 1/3rd portion of the land only will be sold, the bidders who intended taking the factory as a whole were very reluctant to bid, and no bids were received for the whole of the factory machinery together with 1/3rd share of the land and buildings. The machinery alone was then auctioned and a bid of Rs4500/- was received for the whole of the factory machinery only. Then at the request of some of the bidders the machinery was auctioned in three lots and bids for same

were recived

We enclose herein a Sale account form your kind perusal We shalll feel highly obliged if you would kindly let us know at an early date the bid accepted by you.

The 25% advance for the bids received from the party is also herewith sent.

Awaiting the favour of an early reply.

Thanking you.

We beg to remain,

Sir,

Your most obedient servant.s,

Jackria Sait & Sons

Encloses cheque No A263653 on The Imperial Bank of India Madras (Bombay) Branch for Rs. 1500/-

Received cheque for safe custody

30.7.30

Account Stati- aides Matchfactory

SALE ~~PROCEEDS~~ Of ~~Goods~~ ~~Sold~~ in Auction Sale No. — of 28th July 1930. by ZACKRIA SAIT & SONS, Government and Public Auctioneers.

The Property of Mr Muthuala Seenappa Rammanah Mortgages to the Government of Madras Industries Department

I	15 Items of Machinery together with 1/3 portion of Land & Building as per list subject to the confirmation of the Director of Industries	7/6 Bids
II	15 Items of Machinery only as per list - subject to the confirmation of the Director of Industries	4500 "
III	Item No 10 - The Steam Engine Only. Subject to confirmation	200 "
IV	Item No 14 : Twenty Girders only subject to confirmation	300 "
V	Items 1 to 15 - Leaving out the Items 10 & 14 already bid for	1000

The above were the bids received at the Sale When the 15 Items of Machinery were sold in all 4500

When they were sold separately as per the request of the bidder 1500

2875

115-8/30 (15-8-2 6-8-3

TOMSON & COMPANY,

Importers and Commission Agents.

129, KHETWADI MAIN ROAD, POST No. 4.

Bombay 2nd August 1930.

VM

The Director of Industries,

Chepauk,

MADRAS.

Dear Sir,

Re. Match Factory for sale.

With reference to the advertisement appearing in Times of India - the issue of the 23rd ult. - for the sale of Match Factory of Mr. Muthiala Seenappa Ramanna - consisting of peeling, chopping, dipping, box making, etc. etc. we beg to write that if the sale is not completed - kindly send us the detailed particulars of every machinery, their specifications, etc. mentioning the price as we are interested in the purchase of such machineries.

Trusting that you will favour us with the comprehensive particulars as early as possible.

Thanking you in anticipation.

Yours Faithfully,
TOMSON & COMPANY.

Dem. 24/11

162

308.

O.M.No. 3286 II/28-23, dated 29.8.30

Letter from the Dir. of Industries, No. 115-A/30, dated 7th August 1930.- Bellary Match factory-Sale.

The Government agree with the Director of Industries that in the circumstances the sale of the machinery for Rs. 4,500 may be confirmed. The D.I. is requested to issue instructions accordingly.

2. The Director is requested to address ~~move~~ the Collector of Bellary ~~to~~ with a view to ~~ask~~ the Government Pleader being authorised to watch the partition suit against Mr. Ramani

3. The Government Solicitor is requested to report when the copy of the order of Mr. Justice Eddy referred to in his letter No. 1020 dated ~~30th~~ 3rd May 1930, may be expected

228.

the D.I. (paras 1 & 2). 1
Govt. Solicitor (paras3) 2

Dev. 3193-II

163 10-10-30 DEPARTMENT.

In reply, please quote number, date and short title.*

Received ..... Registered .....

10 OCT 1930 DEVELOPMENT DEPARTMENT

From (Name) Arthur Thomas,

(Designation) Government Solicitor,

Post Box ....., (Station) M a d r a s.

Telegraphic Address .....

To The Secretary to Government,

Development Department,

M a d r a s.

No. ....., dated 8th October 192/ 30.

Sir,

Enclosures .....

Spare Copies .....

* Arbitration between the New India Assurance Co. Ltd. a n d Muthiala Ramanna.

- - - - - -

I have the honour to enclose herewith copy order of His Lordship Mr. Justice Eddy passed on the 3rd April 1930 asked for in your Memorandum No. 3286-2/28-18 dated the 7th April 1930.

I have the honour to be,

Sir,

Your obedient servant,

Arthur Thomas

CG/GS.

GOVERNMENT SOLICITOR

IN THE HIGH COURT OF JUDICATURE AT MADRAS.

Ordinary Original Civil Jurisdiction.

Thursday, the 3rd day of April 1 9 3 0.

THE HONOURABLE MR.JUSTICE EDDY.

Application No.3999 of 1929.

Re Arbitration between the New India Assurance Co.Ltd.

And

Muthiala Ramanna.

This is an application under Section 14 of the Indian Arbitration Act of 1899 to set aside an award on the ground of legal misconduct on the part of an umpire appointed by this Court. The award relates to a claim by the applicant against the respondent under a policy of insurance, No.48291 for loss by fire. The arbitration in question is governed by clause 18 of the Policy. That clause provides as follows

"If any difference arises as to the amount of any loss or damage such difference shall independently of all other questions be referred to the decision of an arbitrator to be appointed in writing by the parties in difference or if they cannot agree upon a single Arbitrator, to the decision of two disinterested persons as Arbitrators of whom one -- shall be appointed in writing by each of the parties within two calendar months after having been required so to do in writing by the other party. In case either party shall -- refuse or fail to appoint an Arbitrator within two calendar months after receipt of notice in writing requiring an appointment the other party shall be at liberty to appoint a sole Arbitrator and in case of disagreement between the Arbitrators the difference shall be referred to the decision of an Umpire who shall have been appointed in writing before entering on the reference and who shall sit with the

Arbitrators and shall preside at their meetings...."

The Respondent Company appointed as its Arbitrator Mr. A. S. Killick whom I shall refer to as Arbitrator No.1. The Applicant, the assured, appointed as his Arbitrator Mr. Lakshmi Narayana Rao whom I shall refer to as Arbitrator No.2. The Arbitrators met with a view to agree upon the name of an Umpire. They were unable to agree upon this matter. Thereupon an application was made to this court on the 21st October of last year and the order was in these terms:--

"(1) That Mr.Adlard of the South India Export Company be and hereby is appointed the Umpire herein to settle the differences between the parties hereto,

(2) That the Arbitration herein do proceed with the above said Mr. Adlard as Umpire.

The arbitration proceedings began on the 26th October 1929 and ended on the 15th November 1929. There were in all apparently seven meetings. At all these meetings Mr.Adlard as Umpire presided. The Arbitrators failed to agree as to the amount to be awarded to the applicant and thereupon the Umpire, Mr. Adlard, made his award, and it is dated the 27th November 1929. It reads as follows:--

"I have had the parties before me together with the Arbitrators on the 26th 28th and 29th October, 1st, 5th, 13th and 15th November. I have carefully considered the evidence and the correspondence referred to during the hearings. I have asked the Arbitrators whether they are agedd and their reply is that they are not. Arbitrator No.2 Mr.Lakshmi Narayana Rao states he considers that the award should be Rs.60000. Arbitrator No.1, Mr.Killick, states he considers the award should be Rs.5,673-10-6."

"In my opinion the proper sum to be awarded is Rs.7,673-10-6 and I award the sum to the assured in full settlement of this claim. This total is made up as follows:--

(a) Buildings.	...	Rs. 500- 0-0
(b) Machinery.	...	Rs.5,000- 0-0
(c) Stock.	...	Rs.2,173-10-6
		Rs.7,673-10-6 ..."

Mr. Sonayyah who appears for the applicant has relied on three grounds in support of the application that this award should be set aside. He complains:--

(1) That the Umpire was guilty of legal misconduct in that he took an active part in the proceedings befor the Arbitrators had come to a formal disagreement.

(2) That before the Umpire was entitled to act as such he should have received a notice in writing from the Arbitrators of their disagreement.

(3) That at one of the meetings the Umpire presided in the absence of one of the arbitrators. Viz. Arbitrator No.2 and examined a witness.

With regard to the 1st point it is to be noted that under clause 18 of the policy the Umpire is to sit with the Arbitrators and preside at their meetings. The word "preside" no doubt has a variety of meanings and one of these set out in the Oxford Dictionary is "to exercise superintendence, direction or control". The argument on behalf of the applicant is that whilst presiding at those meetings the Umpire should have maintained complete silence until the Arbitrators had intimated to him that they were

to keep clearly in mind the possibility that the duty of making an award would fall upon him. This enquiry I am told lasted in all about eight hours. If there was cast upon the Umpire the duty of maintaining silence it is plain that if and when the Arbitrators disagreed he would probably be bound to recall some of the witnesses or one of the - - witnesses in order to clear up difficulties which might present themselves to him.

In my view therefore the Umpire was perfectly entitled as the Arbitration was proceeding to take such part in it and to put such relevant questions as he considered proper. In my view therefore point No.1 fails.

It is next contended that the Umpire was unable to act until he received notice in writing from the Arbitrators of their disagreement. That contention is based upon clause 4 of the 1st Schedule of the Act. That Schedule relates to the provisions implied in submissions. Clause 4 says "If the Arbitrators have allowed their time or extended time to expire without making an award orhave delivered to any party to the submission or to the Umpire a notice in writing - - stating that they cannot agree, the Umpire may forthwith enter on the reference in lieu of the arbitrators"

Now that provision obviously proceeds upon the footing that the Umpire and the Arbitrators are not to sit together. It is to be read subject to Section 6 of the Act. Section 6 says this:--

> "A submission unless a different intention is expressed therein, shall be deemed to include the provisions setforth in the First Schedule, in so far as they are applicable to the reference under the submission"

In my opinion Clause 18 which is the

that the Arbitrators and the Umpire shall sit together. Secondly it is to be observed that there appears in this clause the phrase" in writing", or "notice in writing" on fewer than five times, but it does not appear in connection with the provision respecting disagreement between the - - Arbitrators. If the parties had desired to provide that notice in writing should first be given before the Umpire could act, they would have expressed it in my view in -- clause 18. They have not done so. In my opinion notice in writing in this case was wholly unnecessary. The Umpire was sitting with the Arbitrators and any express oral - - notice from them that they were unable to agree would be sufficient. In my opinion point No.2 fails.

I now come to what is admittedly a formidable point in this case. It is complained that the Umpire at one of the meetings presided in the absence of the Assured's Arbitrator and examined a witness. That witness was an expart an Engineer, Mr.Lockley. Mr. Adlard has been in the witness box to day and he was examined on behalf of the applicant. He produced before me the notes made by him in connection with the various meetings to which I have referred. This is the note of the meeting in respect of which this complaint is made Viz the 29th October 1929:-

"The Third Hearing 29th October 1929 at 5-15 P.M. Present:-

Ar. 1 accompanied by his counsel Mr.Rajagopalan Mr. Lockley.

In the absence of Ar 2 and Mr.Green, Mr.lockley was examined regarding his report dated 24-11-28."

Mr.Green therein referred to is another Engineer who apparently had made a report in favour of the other side. Mr.Adlard says that this meeting took place

very wet day. He says that he expected Ar. 2 would attend. He says that he waited some time for his arrival. As he failed to attend he put certain questions to Mr.Lockley. It is contended on behalf of the respondent here that there was no examination of Mr. Lockley in the true sense of the term at all. All that was done was that Mr.Adlard, the Umpire, put a few informal questions to him. But can I disregard the note made by Mr. Adlard, the Umpire himself thus:-- "In the absence of Ar. 2 and Mr.Green Mr.Lockley was examined regarding his report dated 24-11-1928"? Mr.Adlard has given me the effect of the questions which he put to Mr. lockley. He said that the questions related, in the first place, to what is described as the 'dipping machine'. That machine apparently formed an important part of the claim made by the applicant in this case. He said he asked Mr.Lockley whether this machine had a cracked base. Mr. Lockley said that he did not see that it had a cracked base. Mr. Adlard said he asked him a question or questions about the 'Aluminium Belt Conveyor' as to which Mr. Lockley said that it could be repaired very easily. Then Mr.Adlard put questions with regard to another machine described as the 'peeling Machine'. He wanted to know whether the temper of the steel knives on this machine would be lost as a result of the fire. Mr.Lockley did not agree that the temper of these knives would be lost. That was the meeting of the 29th

At the next meeting on the 1st November according to Mr. Adlar's notes the two Arbitrators were present together with the counsel for the Insurance Company and Mr.E.A.Lobo Counsel for the applicant. Mr. Lobo then applied for an adjournment stating that he had not received sufficient instructions.

The next meeting was held on the 5th November. Again there were present the two Arbitrators, counsel for the respondent, Mr.Lobo and Mr. Lod

made some protest as to the manner in which the Umpire was conducting the proceeding, that he was playing in his view a too prominent part. The note made by Mr.Adlard is Mr.Lobo stated that no reference had been made for decision by an Umpire by the Arbitrators" Mr. Lockley was again examined. I have been at some pains to discover what was said by Mr. Adlard at this meeting of the 5th November as to the proceedings of the 3rd hearing at which Ar.2 was not present. All that Mr. Adlard can give me obviously is his recollection of what took place at this meeting on the 5th November He says that his impression is that he stated to Mr.Lobo - what Mr. Lockley had said about the cracked base. He said 'I think it is most likely that I mentioned the cracked base' His recollection is that he in fact mentioned about the Aluminium Belt Conveyor' With regard to the other - - machine he does not know whether he mentioned anything or not. Lord Eldon in the well known case of Walker -Vs- Frobisher 1801, 6 Ves. 70 laid it down that the principles of universal justice require that the person who is to be prejudiced by the evidence ought to be present to hear it taken, to suggest cross examination or himself to corss - examine and be able to find evidence if he can that shall meet and answer it, in short to deal with it as in the -- ordinary course of legal proceedings.

Here it is perfectly plain according to the evidence of Mr.Adlard that the evidence given by Mr.Lockley at the 3rd meeting was such as to prejudice the applicant. Has he had any proper apportunity to deal with that evidence?. In my opinion he has not. He has been depenaent entirely in this case upon what Mr.Adlard, the Umpire was able to state as his recollection of that evidence, at the 5th meeting.

Secondly where two arbitrators are appointed as in

act together, that both should be present at all the meetings held in connection with the arbitration, that both of them should hear at first hand the whole evidence as it is given. This point is in my opinion covered by a decision of this Court in Thammi Raju -Vs- Bapi Raju reported in 12 Madras 113. There one of the arbitrators did not attend a meeting once. Witnesses were examined by the other arbitrators. Held that the award was invalid by reason of the misconduct on the part of the arbitrators. In the course of the judgment Mr. Justice Wilkinson refers with approval to this passage in Russell on The Power and duty of Arbitrators. "As joint Arbitrators must all act so they must all act together. They must each be present at every meeting and the witnesses and the parties must be examined in the presence of them all for the parties are entitled to have recourse to the arguments, experience and judgment of each arbitrator at every stage of the proceedings brought to bear on the minds of his fellow judges so that by conference they shall mutually assist each other in arriving together at a just decision".

It only remains for me to say that I do not think the plea of waiver avails the respondent at all. I do not think on the evidence there was in fact any waiver. I am disposed to think that the 2nd Arbitrator did in fact raise some protest against the Umpire having proceeded in his absence. In any case there can be no effective waiver without the full knowledge of all the circumstances. I am not satisfied that the applicant here had any such knowledge. It is plain that Mr. Lockley's evidence at the 3rd meeting had an important bearing on the Umpire's attitude to the claim, particularly in respect of the 'Dipping Machine'; and the Umpire cannot be certain as to whether he has disclosed all the details of Mr. Lockley's evidence to the applicant or his advocate.

On the third point therefore this application succeeds.

The award will therefore be set aside and the applicant will have his costs of this application to be taxed. As to the fees of the Umpire and of the Arbitrators in the abortive arbitration there will be an order by consent that these fees will be borne in equal shares by the parties. The respondent company will pay these fees in the first instance with liberty to deduct half the amount thereof from such sum as may ultimately be found due to the applicant or which may be agreed between the parties.

(Signed) J. P. Eddy.
3rd April 1930.

Certified to be a true copy,

Dated this 8th day of October 1930.

Ts. Muthusami Iyengar
Manager 8.10.30
~~Bench Clerk~~, Original Side.

Copy to:

The Government Solicitor,
High Court, M a d r a s. with reference to his letter no. 1864 dated 24th September

PRL/2-10-30.

Application No. 3999 of 1929.

Re: Arbitration between
New India Assurance Co.Ltd.
And
Muthiala Ramanna.

O R D E R.

Dated, 3rd April 1930.

5/17.

Reg. No. 3286 ñ/28-29 of 17.10.3

[Copy: Govt. Solicitor's letter No 1115 dated 27.5.30 - Sivakasi Match Factory - Suit against Co. Insurance Co.] correspondence relating with

---

The Govt. Solicitor is requested to report what the progress of the suit instituted by Muthiyal Veeranappa Ammanna against the Insurance Co is, and whether the High Court have passed order on the suit.

RL
17.10.

20/X

To
The Govt. Solicitor, Madras.

S.N.
15.10.30.

In reply, please quote number, date and short title.*

Received ..... *Registered* 1-NOV 1930

DEVELOPMENT DEPARTMENT

From (Name) Arthur Thomas.

(Designation) Government Solicitor,

Post Box ....., (Station) Madras.

Telegraphic Address .....

To The Secretary to Government,

Development Department,

Madras.

No. 2139, *dated* 30th October 1930.

Sir,

High Court, Madras - C. S. No. 219 of 1930.
Muthiala Ramanna - Vs - The New India
Assurance Co. Limited.

Enclosures .....

Spare Copies .....

I have the honour to acknowledge receipt of your Memorandum No. 3286-2/28-24 dated the 17th October 1930.

2. In the above suit an application was taken out by the defendant for stay of further proceedings in the suit which came on before His Lordship Mr. Justice Venkatasubba Rao today after several adjournments.

3. On the matter coming up today one Mr. K.S. Shetty Principal and Superintendent of P.T.Lee Chengalvaraya Naicker's Technical Institute was by consent of the parties ~~was~~ appointed Arbitrator to assess the damages sustained by the plaintiff as a consequence of the fire in question.

I have the honour to be.

Sir,

Your obedient servant,

Arthur Thomas

GOVERNMENT SOLICITOR.

GS.

Dem. 24/11.

Subject. Bellary Match Factory. Fire accident - Insurance claims - Arbitration.

Read:- Q. on to the Govt Solicitor No 3286 II/28-24 dt 17.10.30.

from the Govt Solicitor No 2139 dated 30.10.

Govt No 3286 II/28-25 dt 6.11.30.

Communicated to the Dir of Industries for information.

2. ~~The Govt presume that~~ the award to be given by the Arbitrator will be submitted to the High Court, as the Arbitrator has been appointed under its ~~order~~. The Govt Solicitor is ~~therefore~~ requested to obtain a copy of the award of the Arbitrator immediately it is received by the High Court and ~~send~~ forward it to the Dir of Industries.

D.M. 4.11.30.

RS 5/11.

To
The Govt Solicitor, Madras
& Dir of Industries.

with Govt 6/11/30

P.173 CF

P.174 CF

P.124 CF.

14 2 Fair
Typist
Memorandum
RS
Typist's initials
7/XI
Date

18-11-30

C.F. 30.

DEPARTMENT.

Received ..... 192 . Registered 13 NOV 1930 192 .

Subject.

Bellary Match Factory - Suit in Bellary District Munsiff's Court - defence

--

ENCLOSURES.

No .....

.....

Spare copies .....

No. 115-A/30

Station Madras Dated the 17th November 1930.

From (Name) M.R.Ry Diwan Bahadur A. Appadurai Pillai Avargal, M.A.,

(Designation) Director of Industries,

To The Secretary to the Government of Madras,

Development Department.

Sir,

I submit herewith copy of the plaint filed before the District Munsiff, Bellary. It will be seen from it that Muthyala Ramanna and Government have been both impleaded. The Government Pleader, Bellary has prepared a written statement to be filed before the District Munsiff's Court and this has been approved by the Government Pleader, Madras with slight modifications - vide copy of Government Pleader' letter dated 14th November 1930 attached. Since the matter of the fire accident is subjudice, the High Court having appointed a fresh set of arbitrators, we cannot afford to be assertive

written statement as indicated in pencil. I request that sanction may be accorded for the defence of the suit and the written statement may kindly be approved.

2. The suit stands posted to 21st November 1930 but I have asked the Collector to obtain a month's adjournment for the filing of the statement. I request that early orders may be passed.

for Director of Industries.

In the Court of the District Munsif of Bellary.

Original Suit No.313 of 1930.

Between:--

1. Mutyala Giriyappa) Minors by next friend and mother
2. -do- Seenappa.) Mutyala Lakshamma, Plaintiffs.

and

1. Mutyala Ramanna.)
2. The Secretary of State for India in Council) Defendants.
represented by the Collector of Bellary)

Plaint filed on behalf of the Plaintiffs under Order VII Rule 1 of the C.P. Code.

---

1. Plaintiffs:- (i) Mutyala Giriyappa, aged 7 years, (ii) Mutyala Seenappa, aged one year, sons of Mutyala Ramanna, vaisya caste, living under the protection of their next friend and mother Mutyala Lakshmamma, Bellary

Address for service of the Plaintiffs is c/o M.R.Ry B. Bhima Rao B.A., B.L., Advocate, Bellary.

2. Defendants:- (i) Mutyala Ramanna, aged 30 years, adopted son of Mytyala Seenappa, vaisya, merchant, residing at Bellary, (ii) The Secretary of State for India in Council represented by the Collector of Bellary.

3. The plaintiffs are the sons of the 1st defendant. They are members of an undivided Hindu family governed by the Law of Mitakshara. The parties mentioned are the only persons interested in the joint property of the said family.

4. The said family is possessed of the joint property whereof the particulars are set forth in Sehedule A hereto of the total value of Rs.25,500 or thereabouts. The several items of the said property are in the joint possession of the plaintiffs and the 1st defendent.

5. There are no liabilities of the joint family now outstandi But the 1st defendant is said to have contracted a loan of Rs.20,000 on a mortgage of the bungalow with open space and certain machinery described in the mortgage deed. But this deed is not binding on the plantiffs as will be mentioned

6. Mutyala Seenappa the adoptive father of the 1st defendant was carrying on business as dallali merchant in Bellary and died in the year Ananda (1914) At his death he was worth at least a lakh of rupees. Subsequently the 1st defendant carried on trade as a dallali merchant on behalf of and for the benefit of the family in Bellary and earned profit. But about the year 1925 the 1st defendant embarked upon a speculative and adventurous concern for the manufacture of matches in Bellary in spite of the protests of the plaintiffs' next friend, that the new venture might cause ruin to the plaintiffs. Notwithstanding the remonstrances of the plaintiff's mother and next friend the 1st defendant carried on the business on his own account and responsibility and in the year 1927 he is said to have borrowed Rs.20,000 from the Government for the purposes of the aforesaid business. The machinery and the match factory as also a portion of the building in which it was situated caught fire in the year 1928, with the result that the business could not be carried on further by the 1st defendant. The plaintiffs derived no benefit what-so-ever from the said business and as mentioned already it was a rash, hazardous and speculative concern undertaken by the 1st defendant on his own responsibility. As such it was an "avyavaharika" concern for the debts of which the plaintiffs are not liable according to the Hindu Law. The 2nd defendant was trying to enforce his security, when the plaintiffs' next friend caused a lawyer's notice to be issued to him on or about the 27th August 1929 claiming partition of the joint family properties and repudiating the liability of the plaintiffs for the mortgage debt contracted by the 1st defendant. After the receipt of the said notice the 2nd defendant kept quiet, but it is now learnt that he intends to take further action with regard to the security. Hence the 2nd defendant has been impleaded as a party to

the suit.

The 1st defendant has been guilty of waste and malversation of the joint family property and he has acted contrary to the best interests of the minor plaintiffs in carrying on the match factory business and utilising all available resourc of the family for the purposes of the said business. It is therefore just and expedient for the monor plaintiffs to sue for and effect a partition with the 1st defendant.

8. The several parties hereto are respectively entitled to the following shares of the joint property:--

(i) The 1st Plaintiff.	...	One-third.
(ii) The 2nd Plaintiff.	...	One-third.
(iii) The 1st defendant.	...	One-third.

9. The cause of action for this suit arose in 1927 and 1929 when a demand was made on the 1st defendant to have a partition of the joint family properties.

10. The plaintiffs value the relief set forth by them at Rs.5/- for purposes of Court Fee and jurisdiction.

11. Notice of the suit has been given to the Secretary of State for India in Council--2nd defendant--by means of registered notice to the Collector of Bellary, to the Secretary to the Government of Madras, Development Department Madras and to the Director of Industries Madras on or about the 27th August 1929.

12. The Plaintiffs therefore pray:--

(a) that an account may be taken of what the joint property of the said family consisted in ~~Auxug~~ August 1929;

(b) that the Plaintiffs may be declared to be not liable for the debt due to the 2nd defendant by the 1st defendant;

(c) that a Commissioner may be appointed to divide into three shares moveable and immoveable properties of the joint family by metes and bounds and that two shares therein may be delivered to the plaintiffs;

A

(d) that an injunction may be granted restraining the 2nd defendant from selling or otherwise disposing of the property mortgaged to him;

(e) that costs of this suit may be decreed against the 1st defendant; and

(f) that such other relief may be granted which the court deems fit and expedient in the circumstances of the case.

Value of Suit.

Rs.5/- in accordance with section 7, IV(b) of the Court Fees Act and the decision in 21 M.L.J.21 (F.B).

Schedule-A.
(Immoveable properties).

Properties situate at Bellary, in Bellary Municipality and in the Sub and Registration Districts of Bellary:--

Item No.	Description of property.
1.	(i) One bungalow bearing Door No.1354 I Ward 94"x40" (ii) One Factory building Door No.1355 I Ward 40"x 104", standing on survey Nos.506-B/1 and 513 having a total extent of 5 acres 54 cents registry standing in the name of Muthyala Ramanna and within the following boundaries:- East: Seedaragadda Road. West: Penukonda Rama Rao's son Narasinga Rao's bungalo North: Alle Dodda Basappa's field and Pujari Narasingappa's field. South: Cantonment Road.
Houses bearing Door Nos. 2. 618. 3. 619. 4. 620.	All situate in I Ward within the following boundaries:- East: Mutyalu Narayanappa Ramachendrappa's house. West: Kampli Narasimhachari's house. North: Old Cutcherry Road. South: Lane.
5. 624. I	Ward within the following boundaries:-- East: Mutyalu Narayanappa Ramachendrappa's house. West: L a n e. South: Open space of Late Raichur Masthan Sab. North: Old Cutcherry Street.
6. 1093. 7. 1094	Both in the III Ward within the following boundaries:- East: L a n e. West: Lane and House of Cowl Bazaar Ganiga Ratnavelu Se South: Open space. North: Vasudeva Naidu Street.

Schedule-B (Moveables).

Utensils, furniture and other moveable properties worth about Rs.500/-

Sd. x x x
Advocate for Plaintiffs.

Sd. x x x
Vakil for Plaintiffs' next fr

Verification:--I, Mutyala Lakshmama, the next friend of the Plaintiffs do hereby declare that what is stated in all the paras above is true to my personal knowlege except as to those matters which are stated on information and which I believe to be true. Verified and signed this at Bellary on the 7th day of July 1930.

Sd. x x x
Plaintiffs' next friend.

In the Court of the District Munsif of Bellary.

Original Suit No. 313 of 1930.

Between

Mutyal Senappa and others. .... Plaintiffs.

and

Secretary of State for India in Council and others. .... Defendants.

Written statement under Order VIII, rule 1, Civil Procedure Code on behalf of 2nd defendant.

I. This defendant denies all the allegations not expressly admitted herein.

II. Plaintif is put to strict proof of the allegations in paragraphs 3 & 4 of the plaint.

III. The allegation about the suit debt referred to in paragraph 5 of the plaint is not correct.

IV. The following allegations in paragraph 6 of the plaint are not true:--

(a), "About the year 1925 1st defendant embarked upon a speculative and adventurous concern for the manufacture of matches in Bellary."

(b). "The first defendant carried on the business on his own account and responsibility."

(c). "The plaintiffs derived no benefit what-so-ever from the suit business and as already mentioned it was a rash, hazardous and speculative concern undertaken by the first defendant, on his own responsibility. As such it was an avyavaharika concern for the debts of which the plaintiffs are not liable according to the Hindu Law."

(d) "After the receipt of the said notice the second defendant kept quiet.".

It is true that the first defendant borrowed Rs. 20,000 for his match Factory. It is also true that there was a fire accident to the Match Factory. But it is not correct to say that the business could not be carried on further by the first defendant. It is ~~also~~ true that the plaintiffs served a notice on this defendant in 1929. This defendant puts the plaintiffs to strict proof of the allegations in para 6 of the plaint.

V. The allegations in paragraph 7 of the plaint are not correct. The first defendant is not guilty of nor has he committed any waste or malversation of any property. The plaintiffs are, therefore, not entitled to file this suit for partition.

~~VI.~~ The suit is not maintainable.

~~VII.~~ Plaintiffs and the first defendant belong to an ancient trading family. The first defendant has, admittedly, carried on business successfully and in the best interests of his family.

~~VIII.~~ The starting of safety Match Factory by the first defendant is in no way speculative, adventurous, rash or hazardous. The first defendant who is a shrewd and capable businessman ~~xxxxx~~ carried on investigations and correspondence with this defendant about the Match Factory in question for over two years. After careful consideration the above concern was held to be a good concern.

IX. The first defendant applied for a loan for this factory. This defendant granted it on 25-8-1927 under the Madras State Aid to Industries Act. The first defendant

has mortgaged Item 1 of the Plaint Schedule A and also the machinery, etc. in the Match Factory, in favour of this defendant on the 23rd day of September 1927. The decision of th defendant about the industry in question is final under the above mentioned Act. ~~The plaintiffs are therefore estopped from raising any plea that the loan is not valid or binding on them.~~

X. The first defendant, as Karta of his family, has borrowed the debt from the second defendant for family necessity and benefit. The debt is not avyavaharika as contended by the plaintiffs. The Loan granted under the mortgage has been properly applied. It is not open to the plaintiffs to contest this point as this defendant is the sole judge of this matter. The plaintiffs, therefore, are not entitled to challenge the validity or otherwise of the mortgage debt in this suit.

XI. The Match Factory was working well as admitted by the first defendant himself. There was no valid reason for stopping the business even after the fire accident mentioned in paragraph 4 above.

XII. The first defendant deliberately violated the terms of the mortgage deed and thus necessitated this defendant from proceeding to recover the debt summarily. The plaintiffs are bound by the action taken by this defendant.

XIII. The suit is not properly valued.

XIV. The plaintiffs have filed this suit without any justification. It may be dismissed with exemplary costs.

Here enter portion marked A at p 18 bis

Collector of Bellary.

Verification:-- I, the 2nd defendant herein do hereby declare that what is stated in all the above paragraphs is is true to my knowledge and information. Signed this 31st day of October 1930.

Collector of Bellary.

In the Court of the District
Munsif of Bellary.

O. S. No. 313 of 1930.

Written statement on behalf of
2nd defendant.

T. Raghavachari,

Government Pleader, for
2nd defendant.

Copy of letter No.Opn. 21 dated 14th November 1930 from the Government Pleader, Madras.

--

Sub:--Bellary Match Factory - Suit O.S.No.313/30 Bellary District Munsiff's Court. defence.

--

Your letter No.115-A/30 dated 8th November 1930

--

In returning herewith the records received with your letter above referred to together with the draft written statement with the necessary alterations made therein, I request that the following may be added as the last para in the written statement.

XIV

A

"The plaintiffs are not entitled to an injunction restraining this defendant from selling or otherwise disposing of the property mortgaged to him; in any event this defendant is entitled to sell both the 1st defendant's share of the item 1 of Schedule A as well as the machinery etc., in the Match Factory covered by the mortgage deed dated 25th August ~~1930~~ 1927.

--

In the Court of the District Munsif of Bellary.

Original Suit No.313 of 1930.

Between

Mutyal Seenappa and others. .. .. Plaintiffs.

a n d

Secretary of State for India in Council and others. .. .. Defendants.

Written statement under Order VIII, rule 1, Civil Procedure Code on behalf of 2nd defendant.

I. This defendant denies all the allegations not expressly admitted herein.

II. Plaintiffs are put to strict proof of the allegations in paragraphs 3 & 4 of the plaint.

III. The allegation about the suit debt referred to in paragraph 5 of the plaint is not correct.

IV. The following allegations in paragraph 6 of the plaint are not true:--

(a).."About the year 1925 1st defendant embarked upon a speculative and adventurous concern for the manufacture of matches in Bellary."

(b). "The first defendant carried on the business on his own account and responsibility."

(c). "The plaintiffs derived no benefit whatso-ever from the suit business and as already mentioned it was a rash, hazardous and speculative concern undertaken by the first defendant, on his own responsibility. As such it was an avyavaharika concern for the debts of which the plaintiffs are not liable according to the Hindu Law."

(d) "After the receipt of the said notice the second defendant kept quiet."

It is true that the first defendant borrowed Rs.20,000 for his match Factory. It is also true that the first defendant reported a fire accident to the Match Factory. But it is not correct to say that the business could not be carried on further by the first defendant. It is true that the plaintiffs served a notice on this defendant in 1929. This defendant puts the plaintiffs to strict proof of the allegations in para 6 of the plaint.

V. The allegations in paragraph 7 of the plaint are not correct. The first defendant is not guilty of nor has he committed any waste or malversation of any property. The plaintiffs are, therefore, not entitled to file this suit for partition.

VI. The Plaintiffs and the first defendant belong to an ancient trading family. The first defendant has, admittedly, carried on business successfully and in the best interests of his family.

VII. The starting of safety Match Factory by the first defendant is in no way speculative, adventurous, rash or hazardous. The first defendant who is a shrewd and capable businessman carried on investigations and correspondence with this defendant about the Match Factory in question for over two years. After careful consideration the above concern was held to be a good concern.

VIII. The first defendant applied for a loan for this factory. This defendant granted it on 25-8-1927 under the Madras State Aid to Industries Act. The first defendant has mortgaged item 1 of the Plaint Schedule A and also the machinery, etc.in the Match Factory, in favour of this defendant on the 23rd day of September 1927.

defendant about the industry in question is final under the above mentioned Act.

IX. The first defendant, as Karta of his family, has borrowed the debt from the second defendant for family necessity and benefit. The debt is not avyavaharika as contended by the plaintiffs. The Loan granted under the mortgage has been properly applied. It is not open to the plaintiffs to contest this point as this defendant is the sole judge of this matter. The plaintiffs, therefore, are not entitled to challenge the validity or otherwise of the mortgage debt in this suit.

X. The Match Factory was working well as admitted by the first defendant himself. There was no valid reason for stopping the business even after the fire accident reported by the 1st defendant and mentioned in paragraph 4 above.

XI. The first defendant deliberately violated the terms of the mortgage deed and thus necessitated this defendant proceeding to recover the debt summarily. The plaintiffs are bound by the action taken by this defendant.

XII. The suit is not properly valued.

XIII. The plaintiffs have filed this suit without any justification. It may be dismissed with exemplary costs.

XIV. The plaintiffs are not entitled to an injunction restraining this defendant from selling or otherwise disposing of the property mortgaged to him; in any event this defendant is entitled to sell both the 1st defendant's share of the item 1 of Schedule A as well as the machinery etc., in the Match Factory covered by the mortgage deed dated 23rd September 1927.

Collector of Bellary.

Verification:-- I, the 2nd defendant herein do hereby declare that what is stated in all the above paragraphs is true to my knowledge and information. Signed this 31st day of October 1930.

Collector of Bellary.

191

Development Dept

O.M. No 3286 II/28-26 dt 19.11.30

The Govt. Sanction the defence of the Suit in O.S. No 313 of 1930 on the file of the Court of the District Munsif of Bellary. The written statement as amended by the Govt. Pleader, Madras and the D.J is approved and is annexed to this memo.

2 The Collector of Bellary is requested to take steps to defend the Suit.

RR
18/11.

Despatched
RR
19/11/30.

Pp from for
by today's mail
please show
file before
despatch
for
19/11/30

AM
18-11-30

The D.J (with copy of written statement)

Collector of Bellary
(with copy of D.J's letter dt 17.11.30 and with copy of written statement and plaint in original)

SG
19/11

20-12

4.2.31

O.F. 50.

INDUSTRIES **DEPARTMENT.**

93

Received ..... 192 *Registered* 192

Subject.

Bellary Match Factory - Fire accident - Damages - Arbitration.

3286 II/28

ENCLOSURES.
No. .....
.....
Spare copies .....

No.15-A/31.

Station M A D R A S, *Dated the* 3rd February 1931.

From (Name) M.R.Ry. Dewan Bahadur A. Appadurai Pillai, Avl., M.A.,

(Designation) Director of Industries.

To The Secretary to the Government of Madras,

DEVELOPMENT Department.

Sir,

p. 192 Supra

Reference:- Memorandum No.3286-II-28-26 dated 26th January 1931.

--

The Government Solicitor has not furnished a copy of the award so far. It is understood that it will take some time for the arbitrator to give his award.

for Director of Industries.

N.J./3-2.

To. A.S. D.I. may be reminded

DEPARTMENT. 11-5-31

194

Received 10 MAY 1931 192 . Registered 192 .

Subject.

Bellary Match Factory - Insurance claims - arbitration.

ENCLOSURES.

No. 15-A/31.

Station Madras. Dated the 5th May 1931. 192 .

From (Name) M.R.Ry Dewan Bahadur A.Appadurai Pillai Avl., M.A.,

(Designation) Director of Industries,

To The Secretary to the Government of Madras,

Development Department.

Sir,

I understand from the Government Solicitor that the arbitrator (Mr.K.S.Shetty) has not yet filed his award in court.

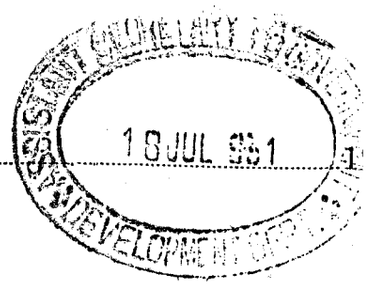
for Director of Industries.

G.M

Dis. 1980-II
20-7-31

C.F. 30.

DEPARTMENT. 195



Received 18 JUL 1931 *Registered* 19

Subject.

Bellary Match Factory - Insurance claims - Arbitration.

To Indus.,
This may lie over till 9.8.31, when D.I. may be reminded.
20/7

Reminded 12/8.

20/7 20/7 20/7

No. 15-A/31

ENCLOSURES.
No.
Spare copies

Station Madras, *Dated the* 16th July 1931.

From (Name) L. B. Green Esq., M.B.E.,
(Designation) Director of Industries (in charge)

To The Secretary to the Government of Madras,
Development Department.

Sir,

My letter No. 15-A/31 dated 5th May 1931.

The Government Solicitor states that the award of the Arbitrator has not yet been filed in Court and that it is understood that time for filing of such award has been extended till 21st July 1931.

Director of Industries
(in charge)

Dev. Dept.

G.M. No. 3286 II/28-27 dt. 18.8.31

Despatched with P.S. enclosures 18-8-31

Resp. above by Spl. peon from here before 1 P.M.

As desired by the Dir. of Industries, the mortgage deed in original executed by Muthyala Seenappa Ramanna of the Bellary Match Factory, is enclosed. The Govt. solicitor who is requested to acknowledge its receipt

To. The Govt. Solicitor.

18/8.

18/8.

18/8/31

18-8-31

C.F. 30.

DEPARTMENT.

197

Received 18 AUG 1931 19 . Registered 19 .

Subject.

Bellary Match Factory - Insurance claim - arbitration - award.

To L.S.

The further report from the D.I. may be awaited till 26.9.31.

1918

No. 15-A/31

ENCLOSURES.

No.

Spare copies

Station Madras, *Dated the* 15th August 19 31.

From (Name) L. B. Green Esq., M.B.E.,

(Designation) Director of Industries,

To The Secretary to the Government of Madras,

Development Department.

P.195 ayma

Sir,

Reference:--My letter No.15-A/31 dated 16th July 1931

The Government Solicitor now reports that the award appears to have been filed in Court on the 13th July 1931, but that the award has not yet come before the Court for being confirmed. He adds that as soon as the award is confirmed, he will apply for and send me a copy of such final award.

2. The Government Pleader Bellary suggested that in the event of the award granted to Muthyala Seenappa Ramanna being sufficient to cover the mortgage debt, it would be

4th August 1931 in the Bellary District Munsiff's Court. In the absence of information as to the final award, I instructed him through the Collector of Bellary to prepare for the suit and defend it. I am inquiring of the Collector, Bellary, as to whether the suit was taken up on that date and if so, whether the trial is proceeding. I shall address Government, if necessary, on receipt of his reply.

Director of Industries(In Charge)

SN.15.8.

Dev. 2293-II
21-8-31

C F 32 (a)

In reply, please quote number, date and short title *

199 DEPARTMENT.

Received ..... Registered .....

From (Name) Arthur Thomas,

(Designation) Government Solicitor,

Post Box ....., (Station) Madras.

Telegraphic Address .....

To The Secretary to Government,
Development Department,
Fort St. George,
Madras.

No. 2163 dated 19th August, 1931. P. 196 supra

Sir,

* I have the honour to acknowledge receipt of your memorandum No.3286-II/28-27 dated 18th August 1931 -- together with the mortgage deed enclosed therewith.

Enclosures .....

Spare Copies .....

CG/RV

I have the honour to be,
Sir,
Your obedient servant,

Arthur Thomas

GOVERNMENT SOLICITOR.

Deo. 2433-II
9-9-31

D.F. 82.

In reply, please quote number, date and short title.*

DEPARTMENT.

Received ..... Registered .....

From (Name) Arthur Thomas,

(Designation) Government Solicitor,

Post Box ..... (Station) Madras.

Telegraphic Address .....

To The Secretary to Government,
Development Department,
Fort St. George,
Madras.

No. 2367, dated 7th September 1931

Sir,

Bellary Match Factory - Insurance Claim - Arbitration - C.S.No.219 of 1930 - High Court, Madras.

I have the honour to report that the objections to the award in this case were today heard by his Lordship Mr. Justice Stone, and the award has been remitted to the Arbitrator for fresh findings and report returnable within a period of two weeks.

CG/RV

I have the honour to be,
Sir,
Your obedient servant,

GOVERNMENT SOLICITOR.

Enclosures .....

Spare Copies .....

2368 Copy to The Director of Industries, Madras.

To us.

May lie over till 15.10.31

9/9

Dev. 2786-II
22-10-31

C F. 32-(a).

In reply, please quote number, date and short title *

DEPARTMENT.

Received ..... Registered .....

From (Name) Arthur Thomas,

(Designation) Government Solicitor,

Post Box ....., (Station) Madras.

Telegraphic Address .....

22 OCT 1931 DEVELOPMENT DEPARTMENT

To The Secretary to Government,
Development Department,
Madras.

No. 2878, dated 20th October 1931

Sir,

Bellary Match Factory - Insurance claim Arbitration - C.S.No.219 of 1930 - High Court, Madras.

ENCLOSURES .....

SPARE COPIES .....

I have the honour to acknowledge receipt on the 20th October 1931 of your reminder dated 15th October 1931 and to state that the final award in the above matter has not yet been passed by the Court.

I have the honour to be,
Sir,
Your obedient servant,

Arthur Thomas

GOVERNMENT SOLICITOR.

CG/RV

TO WS

May lie over till ~~23.X.31~~ 15.12.31

KR 23.X.31

23.X.31

26/X

Dee

D.W-30251 11
19-11-31

Sk
Please examine
Sk 18/11

UNDER SECRETARY TO G...
19 NOV 1931
DEVELOPMENT DEPARTMENT

THE MINISTER IN CHARGE,
INDUSTRIES DEPARTMENT,
GOVERNMENT OF MADRAS. M A D R A S.

S I R,

The humble petition of Muthyala Ramanna, Proprietor, Match Factory, Bellary

Respectfully showeth as follows :--

Your petitioner started an enterprise of manufacturing safety Matches at Bellary, and towards the starting of the factory he laboured very much, invested a great amount of money derived from his ancestral property in this business, and succeeded in establishing a factory known as 'MUTHYALA SEENAPPA, RAMANNA MATCH FACTORY" at Bellary. This costed your petitioner a sum of nearly Rs 60,000/- The machinery alone that was imported for the purpose of running the -- factory costed nearly Rs. 35,000/- The industry, which was quite a new one promised excellent prospects, and every case was taken to ensure a continuous and successful -- working of the factory. The whole of the factory including the machinery that was then in the factory was insured -- under a Fire Policy No. 46025 with the New India Assurance Company Ltd., for the sum of Rs. 25,000/- The date of expiration of this Policy was 1st October 1928.

2. The petitioner applied for State Aid to his factory under the provisions of the Madras State Aid to Industries Act, 1922, to the Government of Madras, for a loan of Rs. 20,000/- to enable him to provide the working capital for his factory. The Government after making enquiries, and after considering the possibilities of success of

the enterprise, was pleased to grant loan to the petitioner of a sum of Rs. 20,000/- about the end of September 1927. Your petitioner duly executed a registered mortgage bond in favour of the Secretary of State for India in Council, whereby he mortgaged the property mentioned in the schedule to that bond to secure the repayment of the amount of Rs. 20,000/- with interest thereon at the rate of 6½ per cent per annum by 20 yearly payments compounded of principal and interest during the period of 20 years, the first of such payments to be made on the 1st October 1928, and the subsequent payments to be made on the 1st -- October in each subsequent year, until and inclusive of the year 1947, the first 19 instalments of which to be Rs. 1,815/- and the 20th instalment to be -- Rs. 1,817--8--0 simple interest at the rate of 6½ -- per cent per annum on the said sum of Rs. 20,000/- being payable for the period between the date ----- 23--9--27 and 1--10--1928.

3. Your petitioner's factory worked for about sixteen months during which period the results of the working were quite satisfactory. But Providence has so designed that on 5--11--1928 the factory caught fire accidently, and practically the whole of the -- machinery was burnt and completely destroyed by fire. At the time when this fire broke out the factory -- including the machinery therein was the subject of Insurance with the New India Assurance Company Limited., under a Fire Policy No. 48291. The factory and the machinery were insured for a total sum of Rs. 48,000/-

4. The occurence of the fire, and the consequent

destruction of the machinery and the factory of your petitioner completely ruined your petitioner. Not only the bright prospects of working the factory and the chance of making good profits therefrom - were all gone but the petitioner also lost all the capital which he invested in the enterprise; in addition there remained the liability of repaying to the Government the sum borrowed from them under the mortgage deed referred to above. If the factory had been working and if no fire had occurred, it would have been quite an easy matter for your petitioner to repay the loan as per the conditions and ----- stipulations mentioned in the Mortgage deed.

5. After the events stated in the foregoing -- paragraph the petitioner entered on a course of -- miserable and distressed life which it is impossible to describe in the course of this humble petition in all its wretchedness. Your petitioner who was one of the foremost citizens of Bellary belonging to a - respectable and wealthy family which continued to be rich for generations found himself suddenly thrust from his elevated position and thrown on the street. Besides the properties mortgaged to the Government under the mortgage deed aforesaid the properties - belonging to the family of your petitioner were ---- mortgaged to other creditors of the petitioner and your petitioner had to sell most of them for the -- liquidation of the debts borrowed on the security thereof. The financial position of your humble -- petitioner is absolutely gloomy. In spite of the

privations and misery that he suffered there was one object which he kept in view, namely to keep him's self-respect and to remain a gentleman of honour. As the factory was covered by a fire policy he applied to the Insurance Company to pay the amount of damages sustained by reason of the fire. The petitioner believed that the Insurance Company would pay the amoun of damages sustained by him so that the factory -- might be-reinstated and put in working order. If that had been done as your petitioner fondly hoped, your petitioner would not have cared about what he himself lost, and he would have first seen to the fulfilment of the conditions of the mortgage deed and repaid the loan borrowed from the Government. Quite contrary to his expectations, the petitioner had to meet with -- difficulties and obstacles thrown in the way of reinstatement of the machinery in the factory and its renewal by recalcitrant attitude of the Insurance Company. The Company began to make delay in payment of the amount of damages claimed by your petitioner. It wantonly delayed even the reference to arbitration which under the terms of the policy the parties had to resort to for ascertaining the amount of damages. In order to fight the Company's dilatory tactics the petitioner had to come to Madras on numerous occasions and remain at Madras for months together. He had to engage Vakils to represent him in the proceedings conducted to recover the amount claimed from the Insurance Company under the fir insurance policy. Ultimately arbitration began

with one Mr.Adlard as umpire. Your petitioner has refrained from mentioning all the events that took place before the appointment of this arbitration. Arbitration proceedings had to take place in Madras. Your petitioner is a permanent resident of Bellary, and his witnesses also are permanent residents of Bellary. The cost and expenses of a proceeding like this in the city of Madras can easily be imagined. Prior to the arbitration presided over by Mr.Adlard as umpire, there were several arbitration proceedings which all proved to be infructuous for one reason or another. All this trouble your petitioner took only with the object of resuscitating the burnt factory so that your petitioner might be able to liquidate the sum borrowed from the Government. Any other person in his circumstances would have easily give up the attempt as hopeless. Your petitioner had to borrow monies which it was not easy for him to obtain as all his ancestral property was heavily encumbered and some of it had to be sold and it is on the honesty and word of your petitioner that he was able to get just enough money for prosecuting the proceedings which he initiated against the Insurance Company which would not pay the amount of damages sustained by him without recourse to all these proceedings. Besides he procured assistance from several persons on

promise that he would, when the claim was settle with the Insurance Company, remunerate them for their services and assistance.

6. The Company sent one Mr.Lockley to Bellary to assess the amount of damages occasioned by th fire. This gentleman stayed hardly half an hour in the factory. After making a very superficial examination he sent a report to the Company that the damages sustained were about Rs.4,800 and od The Company stuck to the report of this gentlema and offered to pay only the said amount. The petitioner knew that the report of Mr.Lockley was thoroughly untrustworthy as he made no examination worth the name and in order to satisfy the company that it could not rely upon his report sent for one Mr.Russel Green, late of Messrs. Buckingham and Carnatic Mills, and requested him to make a minute examination of all the machinery destroyed by fire and to make a full report of the amount of damages sustained by reason of the fire. This Mr.Russel Green after a thorough examination reported that the damages sustained were about Rs.30,000. The Company even after that, refused to reconsider its decision with the result that arbitration proceedings, as stated above had to be commenced. The Company would not take steps for appointment of an umpire,

and your petitioner had to apply to the High Court, Madras, for appointment of an umpire. Mr.Adlard on your petitioner's application was appointed umpire by order of the High Court.

7. The arbitration presided over Mr.Adlard gave an award to the petitioner in the sum of Rs.7,673-10-6. Your petitioner, although he was reduced to a penniless condition by the time this award was made, not satisfied with this award filed an application in the High Court, Madras, for setting aside this award. After very great trouble and expense your petitioner succeeded in getting this award se aside by order of Court dated 3--4--1930. The legal expenses of a proceeding like this in the High Court of Madras can easily be understood. Thereafter your petitioner finding that clause 13 of the policy of insurance prevented him from obtaining any benefits under the policy unless he commenced a suit against the Insurance Company within three months after the claim was made and rejected by the Company was obliged to institute a suit in the High Court, Madras, which was numbered as C.S.No.219 of 1930. When the summons was served on the Company, the Company took the technical objection that the suit should not be tried but that the petitioner should submit to a fresh arbitration. Finding again that the Company

was raising fresh difficulties and that it was intent upon ruining your petitioner so that he might not be in a position to prosecute the suit against the Company your petitioner made an appeal to the learned Judge of the High Court before whom the suit came on for hearing that he would submit to any orders passed by the Court in the circumstances of the case which were fully mentioned to the Court. The learned Judge of the High Court stated that he would himself keep the suit on his file but that he would make a reference through Court to a sole arbitrator. This suggestion was accepted by both parties and accordingly one Mr.K.S.Setty, Principal of the Chengalvaroya Naicker's Institute, Vepery, Madras, was appointed sole arbitrator. After an elaborate enquiry by this arbitrator which lasted for nearly 6 months this arbitrator made an award granting to your petitioner a sum of Rs.18,504-4-4. I had to stay for most days during this period in the City of Madras incurring heavy expenses. I had to bring all my witnesses before the arbitrator all the way from Bellary. I had to engage counsel on my behalf as the Company engaged eminent counsel on their side. The Company engaged Messrs. Short, Bewes & Co., Solicitors and Mr.Vere Mocket, a leading counsel of Madras in court and before the arbitrator it engaged Mr.K.Narasimha Iyer and Messrs.Srinivasa Raghavan and Thyagarajan to conduct

For please see A at p. 222 infra. The XI 2 pots Tamil the decree passed by the High Court was for Rs 20,477-10-6

the case so I had to engage senior and junior counsel both in Court and before arbitrator. All these necessitated expenditure of money which I was hardly able to bear

8. Meanwhile Government pressed for the repayment of the amount of loan borrowed from them. My whole financial position Government did not understand then. It only insisted upon the repayment of its loan. Although it was pointed out that the burnt machinery should be preserved pending arbitration proceedings between the petitioner and the Insurance Company Government proceeded to bring to sale that machinery heedless of the request made by your petitioner. The machinery was as a matter of fact sold away for about 4½ thousands. This sale the petitioner believes has greatly affected the amount awarded by the arbitrator Mr.K.S. Setty. Your petitioner believes that if the machinery had been preserved so that the arbitrator might have an inspection of the same he would have been able to assess the damages at a higher figure than what he has actually done.

9. Your petitioner incurred heavy expenses in the various legal proceedings as per annexure hereto attached which he had to conduct and he has become indebted in nearly a sum of Rs.10 thousand for all these various proceedings. The humble

pp 214-219 infra

petition of your petitioner is that the Government may be pleased to consider all the circumstances of the case and to grant some relief to your petitioner. The amount was given under quite favourable circumstances but unfortunately an accident had destroyed all such favourable circumstances and landed your petitioner in very grave financial circumstances. In these circumstances it is impossible for your petitioner to repay the whole amount of the loan. He has had no benefit of the money borrowed from the Government. Your petitioner appeals to the mercy of the Government and begs that he may be excused from the full payment of the loan. The Government has already realised by sale a sum of Rs.4,500 and odd. The High Court passed a decree in terms of the award made by the said Mr.K.S.Setty modifying it by deducting Rs.700/- therefrom and your petitioner agreed that the amount of award excepting costs might be paid to Government by the Company subject to the orders of the Government on the humble petition of your petitioner for relief. Otherwise your petitioner who is already ruined will be starved to death. More than this his self-respect and honour for protection of which he took all the trouble described in the foregoing paragraphs will be blighted; and his life thereafter to your petitioner is not worth living.

Your humble petitioner, therefore, prays that all the facts and circumstances of the case may be favourably considered by the Government and that the Government may be pleased to atleast remit the interest on the principal amount of the loan.

I have the honour to remain,

Sir,

Your Most Humble Servant,

Muthyal Ramanna

Account extract maintained by Mr.Muthiyala Ramanna regarding the Match factory expended towards New India Assurance Company.

Amount	Details	Dates.
Rs 50--0--0	Expended towards issuing Lawyer's Notice through Mr.Kolachallam Venkata Rao.	28-11-28
)--4--0	Registering expenses for the above	3-12-28
20--0--0	Vakil's fees to Mr.Kolachallam Venkata Rao	10-12-28
5--0--0	do do do	14-12-28
0--4--0	Lawyer's notice expenses to Mr. Venkata Rao	17-12-28
100--0--0	Consultation & Lawyer's notice fees to Mr. Beldona Bhima Rao Vakil	24-12-28
30--0--0	Expenses incurred towards going to Madras regarding the consultation of Vakils for suing against your company and for also consulting the Engineers	13--1-29
5-10--0	Vakil fees to Mr.Sirigeri Narasinga Rao asking for arbitration viz., Type charges 0-6-0 Vakil fees Rs 5-0-0 Registration fees 0-4-0	21--1-29
10-14--0	Typecharges incurred either towards suing against your company for commence ment of arbitration(whole records have been typed) viz.,Typing charges Rs 10/- 0-10-0¼ ream type papers Jut charges charges 0-4-0	31--1-29
20--0--0	Vakil fees to Mr.D.L.Setty regarding the issue of Lawyer's notice for arbitration and other sundry works	3--2-29
150--0--0	Expenses incurred towards going to Madras both to Mr.Muthiyala Ramanna and Mr.D.L.Setty Vakil for Arbitration(from 9/2/29) to 12/2/29) viz., Rs 80/- to Mr.D.L.Setty Rs 70/- Railway freight,Tram charges & other sundries.	15--2-29
325--0--0	Out of Rs 600/- arranged to be paid to Mr.W.Russel Green for certifying the burnt machine and to give evidence until the closure of arbitration Rs300/- have been paid & Rs 25/- railway expenses &c,incurred to Mr.Ramanna towards going to Madras.	15--3-29
57-12--0	Expenses incurred to Mr.W.Russal Green for coming to Bellary on 14/3/29 and staying till 16/3/29 for certifying and testing the burnt machine and going back to Madras on 16/3/29 double 2nd class	16--3-29.

0-14--0	Typing charges towards asking for arbitration 0-10-0 and postal registration fee 0-4-0	17--3-29
174-14-3	Rs 39/14/0 from 12/2/29 to 29/2/29 incurred towards Hoslakantappa's staying at Madras for incurance purpose Ry:charges,meals,tram,Bus, and Telegrams.Type and other sundries Rs 60/0/3 from 14/3/29 to 2/4/29	
	Expenses towards Neelakantappa's staying at Madras for Insurance purpose viz, railway charges,meals refreshment,type charges registration charges cards & covers and other Sundries Rs 25/- from 28/3/29 to 7/4/29	7--4-29
	Expenses incurred towards Rammanna's going to Madras, for purpose of Insurance and to back to Bellary Ry:charges,meals and other sundreis Rs 50/- cash paid to Mr.W.Russal Green at Madras on 5/4/29.	
0--8--6	Couple of registered letters despatched to Insurance company Postal registration fees	17--4-29
0--4--0	One registered letter despatched to the company	22--4-29
44-15--3	Expenses incurred towards Neelakantappa's staying at Madras from 15/4/29 to 24/4/29 for insurance business viz,Type charges Railway charges,meals refreshment and other sundries.	24--4-29
1--0--0	Typing charges,registeration fee regarding a letter sent to Insurance Co., 0-12--0	
	Despatch of a book post to our arbitrator Mr.G.Subbiah Chetty 0-4-0	29-4-29
0-11-0	Type charges for typing a statement of claim	2--6-29
235-9--9	Rs 7-0-0 fees paid to Mr.T.Pattabhiramiah Vakil for getting records of Mr.W.H.Lockly of his incarciration in connection with a criminal case on 9/7/29	
	Rs.35-0-0.fees paid to Mr.T.Pattabhiramiah Vakil for drafting a petition regarding th appointment of Umpire and to file the same in the court Rs 25/-on 27/6/29. Rs 10/- on 19/7/29.	22-7-29
18--0-0	Paid to our arbitrator Mr.G.Subbiahchetty for tram and other sundry expenses for a	

15--0--0	15--0--0 Consultation fees paid to Mr. T.Appajee Rao,vakil regarding arbitration on 21-7-29	
161--9--9	161-9-9 From 2-5-29 to 22-7-29 expenses incurred towards Neelakantappa's staying at Madras for purpose of Arbitration Railway charges,meals,Tram,Bus Telegraph and other sundries.	
0--4--0	One registered letter despatched	6--8-29
137--0--0	Rs 100-0-0 deposit with the Umpire regarding the fees of Arbitration Rs27/- from 17-10-29 to 19-10-29 expenses incurred to Mr. Ramanna at Madras for arbitration,meals Ry:charges and other sundries	19-11-29
	Rs 125-0-0 Fees paid to Mr. Barrister Mr.Lobo for arguing in the arbitration before the Umpire.	
	Rs 150-0-0 Deposited with Umpire 22-10-29	
	Rs 300-0-0 Balance fees paid to Mr. Russal Green on 11/11/29	
	25-0-0 Stamp and vakil fees paid to Mr.T.Pattabhiramayya on 26/9/29	
	10-0-0 One stamped label to be affixed to Umpire petition 17/7/29	
	1-0--0 Umpire appointment application 10-10-29	28-12-29.
	5-0--0 Award fees affixed for sending the same to court by Umpire 4-12-29	
	5-0-0 fees paid to T.Pattabhiramayya for award application 3-12-29.	
	5-0-0 Full fees paid towards the above application 17-12-29.	
	147-8-0 from 12-9-29 to 31-12-29 expenses incurred by Neelakantappa at Madras for purposes of Arbitration towards railway charges meals refreshment,type,Tram,Bus and other sundries expenses.	

Rs 375--0--0		Monthly wages to Neelakantappa for staying at Madras for a period of seven and half months by way of going to Madras from Bellary five times at Rs 50/- per month	6--1-30
Rs 266--5--0	Rs150-0-0	Fees paid to Mr.B.Somayya towards setting aside the award out of the amount of promised Rs 300/-on 28/1/30	
	30.0.0	Fees paid to Mr.Kasthuri Seshagirirao Assistant to Mr.Somayya out ofRs60/- promised 26-1-30	
	6-0-0	Paid to Mr.K.Seshagirirao towards Bench of Attorney s 26-1-30	1--2-30
	50-0-0	Paid to Namal Subbayya for assisting in securing a Vakil	
	30-800	from 22-1-30 to 1-2-30 expenses incurred to Ramanna towards going to Madras and and staying there viz; railway charges,meals,Tram Bus telegraphs and other sundry expenses.	
1--1--0		For Despatch ofinsurance records through registration to Rammanna from Bellary..	24--2-30
1106-11--6		Rs 20/- Fees paid to Mr.E.A.Lobo Barat law towards High Court application No.3999 of 29 out of Rs 30/- promised to be paid on 10-2-30.	
	150-0-0	Balance fee paid to Mr.B. Somayya for No.3999/29 20/2/30	
	30-0-0	Balance fee paid to Mr.K. Seshagiri Rao towards No. 3999 of 29 20/2/30	
	4-0-0	Retainery paid to the Gumastha of Mr.B.Somayya 26/2/30	
	1-0-0	Swearing	27-2-30
	10-0-0	Suphena to umpireto E.D.Lord.	28--2-30
	10-0-0	do	5--3-30
	10-0-0	do	21--3-30

	4-0-0	Four times Suphena served on Mr. N.Narayana Rao,arbitrator.	
	10-0-0	Suphena to Umpire E.D.Lord.1-4-30	
	15-0-0	for 3999/29 lable for 3 exhibits	
		Judgment copy order copy 3-4-30	
	15-0-0	Type expenses for launching a suit in the High court.	
	250-0-0	Court fee stamp for the above 25-2-30	
	40-0-0	Deficit stamp for the above 27-2-30	
	17-0-0	Stamp for Swearing the plaint 27-2-30	
	12-0-0	Typing charges for plaint messinary schedule and other sundry Typing.	
	5-0-0	Post cards and covers.	
	253-11-6	From 6/2/30 to 10/4/30 expenses incurred towards Mr.Nagadi Narayana Rao arbitrator for staying at Madras,for Ry.charges,meals, refreshments,tram,Bus and other sundry expenses	10--4-30
	250--0-0	6/2/30 Ramanna's going from Bellary to Madras 7/3/30 Returned to Bellary 15/3/30 Bellary to Madras 10/4/30Bellary to Madras coming and going Ry.charges,meals,tram and bus expenses and other sundrye expenses.	
58-0-0	20-0-0	Fees paid to Kasthuri Seshagiri rao, for application No.3999/29 towards taxation and other sundry expenses business. 30-4-30	2-5-30
	24-0-0	~~Swaxxxxxxxxxx~~ paid to taxation Bills 30-4-30	
	1-0-0	Swearing stamp for plaint correction in the High court 1-5-30	
	13-0-0	Railway and meals expenses incurred by Ramanna for going to Madras on 29-4-30 and coming on 2-5-30	
	60--9-6	From 16-4-30 to 19-5-30 expenditure for Neela kantappa's staying at Madras for your Insurance	

		number Ry: fares,meals Telegrams Typing charges,tram,Bus and other sundry expenses	20--5-30
3-0-0		Post cards & covers for correspon dence	20--5-30
272--4--0		from 29-5-30 to 28-6-30 expenditure incurred to Neelakantappa for going to Madras,Bombay and back to Bellary for purposes of insurance by way of railway fares,meals and other sundry expenses	26-6-30
18--1--0		For further typing the records and papers for the same	1-7-30
51--8--0	Rs 1-8-0	Telegrams to Mr. B.Somayya on 15-7-30	
	50-0-0	Expended towards Baldona Bhima Rao vakil for his going to Madras to give instructions regarding ~~xx~~ insurance affair	18;-7-30
1--0--0		Money order charges for sending to Ramanna	25-7-30
290--0--0	225-0-0	Vakil fees paid to B.Somayya and Kasthuri Seshagiri Rao for opposing the petition presented by insurance company No1599/30 20-7-30	
	20-0-0	Paid to B.Somayya to be given to E.A.Lobo Bar-at-law in connection withNo.3999/29 balance fee 27/7/30	
	5-0-0	Typing charges for affidavit	
	40-0-0	Expenditure incurred towards Ramanna's going to Madras by way of Ry.charges,tram,Bus, meals and other sundry expenses and returned to Bellary.	26-7-30
0--5--0		Registration charges incurred towards sending to Mr.Kasthuri Seshagiri Rao after being duly signing the affidavit	30--7-30
25--4--0		As per post cards of K.Seshagiri Rao vakil and gumastha of Mr.Somayya garu vakil amount sent in connection with C.S.No.219/30 for sundry expenses towards the above number including M.O. charges	11-8-30
0--4--0		Registration expenditure towards sending a registered cover to the insurance company	19-9-30
10--6--0		Detailed expenditure as per bill grante by K.Seshagiri Rao in connection with insurance company versus Ramanna No.	

56--6--0	Rs 4--8-0	Tram charges to Vakil Mr.K. Seshagiri Rao	
	3--0-0	Typing charges of reply affidavit	
	1--0-0	Costs given to Mr.K.Sheshagiri Rao to make a copy of deposition of Mr.LakshmiNarayana Rao & Mr.Killick arbitrators and Mr. Adlord Umpire.	
	15--8-0	Typing charges given to Mr. Somayya's typist in connection with No.1599/30 special typing on special papers typied copies of insurance records to be shown to the High Court Judge.	6-10-30
	2--0-0	Retainery given to Mr.Somayya's gumastha Venkataramayya	
	30--6-0	From21-9-30 to 6-10-30 Expenditure incurred by Mr. Ramanna for staying at Madras for insurance business by way of going and coming to Madras Railwaycharges ,Tram,Bus,meals and other sundry expenses.	
41--3--0	15--0-0	Fees paid to Mr.K.Seshagiri Rao for issuing a notice to Insurance company regarding the costs granted in connection with No.3999/29 and also for ordering of a cheque to be issued by the above said Insurance company 20-10-30	
	26--3-0	Expenditure incurred by Mr.Ramanna in connection with applicationNo. 1599/30 by way of going and coming both to Bellary and Madras Railway charges,meals,Tram,Bus, and other expenses.	
		B. M 18--10-30 18--10-30	
	0--3-0	One memorandum despatched to Mr.B. somayya Garu Vakil enclosed in an anna envelop affixing 3 annas lables towards its registration.	23-10-30.
	20--0--0	Expenditure incurred by Ramanna for starting to Madras in connection with the posting date of 2nd arbitration being 22-11-20 starting from Bellary on 20-11-30 and returning 23-11-30 by way of Ry.charges meals,Tram,Bus and other sundry expenses	23-11-30
	100--0-0	Fees paid to Mr.V.Narayana Setty vakil to argue in the 2nd arbitra-	

	60--0--0	Railway charges expended towards the following persons viz.Vakil Narayana setty,Bala Kotrappa and Ramanna Going date 29-11-30 Coming back 3-12-30 Meals,Tram,Bus, and other sundry expenses ~~x~~ inclusing-	3-12-30
	0--4--0	For despatching a regiered letter to Insurance company,registration charges	18-12-30
	15--0--0	Ramanna's going to Madras on 27-12-30 to enquire after arbitration affair and return to Bellary on 31-12-30 and expending towards Railway charges,meals,Tram,Bus and other sundry expenses	31-12-30
	50--0--0	Out of the amount of Rs 100/-promised to be paid to Mr.K.Seshagiri Rao to enquire after the 2nd Arbitration till the order of final decree partpay ment of Rs 50/- on 28-12-30 at Madras by Ramanna.	31-12-30
	81-12--6	Expenditure incurred by Neelakantappa starting from Bellary to Madras on 10-11-30 in connection with arbitration affair by way of Ry.charges,meals,Tr m,Bus,refreshments and other sundry expenses both going and coming.	1--1-31.
	1--9--6	Costs incurred by way of sending records to common arbitrator and one copy of a typed letter intimating of the same Jutka,post and Typed ~~xxxx~~ expenses at Bellary.	22-1-31.
234-0-0	50-0-0	Fees paid to Mr.Green Engineer for his giving evidence in 2nd arbitration case on 1-3-31	
	50-0-0	Fees paid from Yaserpet Match factory proprietor for his giving evidence on a future date on 17-2-31.	
	134-0-0	Expenditure incurred towards the following items;	
	viz,	Neelakantappa's staying at Madras from 6/2/31 to 6/3/31	
		Ramanna and Kotrappa going to Madras to give evidence in arbitration case on 18/2/31 and returning to Bellary on 24/2/31 by way of meals, Ry.Charges.Bus Tram and other sundry expenses including stamps expended	

towards applying for extention for 2nd abbitration. 6--3-31

42-8-0 Fees paid towards 2nd arbitration though money order to Mr.K.Shesha giri Rao Vskil 16--3-31

25-0-0 Amount paid to Mr.Beldona Bhima Rao vakil of Bellary for starting to Madras to give instructions to B.Somayya garu vakil of Madras in second arbitration case. 18--3-31

22--0-0 Rs-0-12-0 For typing suphena to be served on the Tahsildar of Bellary and a copy of affidavit also 23-3-31.

1-2-0 Swearing stamp for the above.

20-2-0 Ramanna's starting to Madras on 18/3/31 and returning on 24/3/31 by way of Railway charges meals,Tram Bus and other sundry expenses 24--3-31

3--2--0 On attempting to serve suphena on the Tahsildar of Bellary it was urged that orders of the Collector has to be obtained and consequently Vakalat,Jutka,Typing,stamp for the petition to Mr.B.Bhima Rao Vakil of Bellary 25--3-31.

2--7--0 Wire to Somayya vakil of Madras enquiring after over starting with witness to 2nd arbitration. 26--3-31

36--8--0. Rs 33-8-0 Second class railway charge to the Tahsildar of Bellary to start to Madras in Easter holidays to give evidence in 2nd arbitration. 26-3-31

3-0-0 Batta to the said gentleman

85--0--0 Expended towards arbitration affair by Neelakantappa,Kotrappa and Ramanna by way of Ry,charges,Tram Bus meals and other sundry charges
Starting date 27-3-31
returning ,, 30-3-31 30-3-31.

15--0--0 Paid to village munsiff of Bellary towards his expenses to go to Madras for giving evidence in 2nd arbitration arbitration dated 5-4-31- 2--4-31

6--4--0 Expended towards the following item viz, Ramanna and Kotrappa both going to Madras on 3-4-31.

	Kotrappa's return to Bellary on6-4-31 Ramanna's return to Bellary on13-4-31 Petition for time extention,stamps and typing charges towards the said petition by way of Ry;charges,Tram,Bus meals, and other sundry expenses	13-4-31
15--4--0	Ramanna's going to Madras on17-4-31 and returning on 19/4/31 expenses incurred towards Ry.charges,Tram, Bus,meals and other expenses	20--4-31
80--0--0 Rs 20-0-0	Fees paid to Mr.K.Seshagiri Rao for 2nd arbitration as per out of the promised. 1-5-31	7--5-31
60-0-0	Expenditure incurred towards ramanna's going to Madras on 25/4/31 and returning on 7/5/31 by way of Ry.Charges,Meals,Tram, Bus, and sundry expenses and also towards a petition for extention stamp,typing charges.	
26-13--0	expended towards Ramanna's going to Madras on 16/7/31 and returning on18/7/31 by way of Ry; charges,meals,Tram,Bus,and other sundry expenses.	18--7-31
20-5--6	Ramanna's starting to Madras on 25/7/31 to consult vakils on Law points regarding final decree and returning on 5/8/31 expended towards Ry.fares,meals,Tram and Bus and other sundry expenses	5--8-31.
25--3--0	Ramanna's starting to Madras,as to the date of final decree on 10/8/31 and returning on 21/8/31 expended by way of Ry;charges,meals,tram,bus, and other sundry expenditure	21--8-31
43--0--0	Expended towards second arbitration final Decree by Ramanna starting from Bellary to Madras on 1/9/31 and returning on 17/9/31 and also to file a counter petition stamp swearing type charges & Ry;charges,meals, Tram,Bus, and other sundry expenditure.	17--9-31.
45--0--0	Expenditure towards Ramanna's starting from Bellary to Madras, on 18/9/31 and returning to Tatpatri on 14/10/31 to lookafter the date of the final decree by way of railway charges,meals,Tram, bus , and other sundry expenses.	14-10-31
2800-0-0	As per the decision of Mr.Justice Eddy Esquire setting aside of the 1st award on 1-4-30 it was ordered that out of the cost incurred towards first arbitration Rs 800/- will have to be paid by the Insurance company deducting the same at the time of final settlement of the claim.	

2000--0--0	I have agreed to pay for the suit No.219 of 1930, the regulation fee to Messrs: B.Somayya and taxed costs before the arbitrators.Such costs will not be less than Rs 2000/.
300-0-0	Other sundry expenses.

3145-0-0.	

A

Grand Total Rs 9033-13--3.

Muthyal Ramanna

DEPARTMENT.

Received ..... 19 . *Registered* Dev. 3053/1 ..... 19 .
2-3-11-31

Subject.

Bellary Match Factory - Auctioneers' Commission charges.

ENCLOSURES.
No. 19 Sheets
Spare copies .....

No.115-A/30

Station Madras, , *Dated the* 17th October 1931.
Nov.

From (Name) V. Ramakrishna Esq., I.C.S.,
(Designation) Director of Industries,

To The Secretary to the Government of Madras,
Development Department.

Sir,

In their Memorandum No.3286-II/28-21 dated p.153 Supra
.0th June 1930, Government accepted the terms of Messrs.
;ackria Sait & Sons, Bellary, for undertaking the auctior
;ale of the match factory, Bellary. The circumstances
nder which the machinery of the factory alone was put up
or auction and realized a bid of Rs.4500/- were detailed
n Mr. Appadurai Pillai's letter No.115-A/30 dated 7th
August 1930 disposed of in Government Memorandum No.3286-II/
28-23 dated 29th August 1930 accepting the bid. Messrs.
Zackria Sait and Sons were informed accordingly and

156 Supra
162 Supra

authorised

authorised to hand over the machinery to the successful bidder and to remit the amount of the bid to me. The auctioneers however remitted only Rs.3765/- deducting a sum of Rs.735/- as commission as shown in the copy of their bill attached. As their bill included commission on the value of land and buildings not available for sale and therefore not sold, they were asked to revise their bill claiming commission on the value of the property actually sold. In their letter dated 30th September 1930 (copy enclosed) they submitted that as the splitting of the sale in parts was through no fault of their own, they should be compensated by Government by being allowed commission at least on the minimum valuation of the land and buildings in order to cover the expenses incurred by them. In the circumstances, although Mr. Appadurai Pillai was at first inclined to pass the entire amount of the bill, they were offered only a sum of Rs.516/- arrived at as follows:-

p.226 infra

3% commission on Rs.4500/- the s[illegible] of the machinery	Rs.135/-
3% commission on Rs.12,700/- the then value of the buildings and site after allowing the usual depreciation.	" 381/-
	" 516

and the auctioneers were asked to remit the balance of Rs.219 at an early date. Vide this office letter No.115-A/30 dated 11th December 1930 (copy enclosed). The auctioneers however were not disposed to remit the balance of Rs.219/- being the excess commission adjusted by them without my approval from the proceeds of the sale of the machinery, and as the Collector of Bellary was not able to persuade them to remit the amount I consulted the Government Solicitor in the matter since they were withholding the [illegible] for insufficient reasons. I enclose a copy of his reply dated 1st October 1931 from which it will be observed that the Government Solicitor is of opinion that the auctioneers would be [illegible]

p.227 infra

p.228 infra

to the consolidated sum of Rs.200/- in addition to Rs.135/- their commission on the sale proceeds of the machinery. A sum of Rs.400/- will therefore be due from them. In the last paragraph of his letter however, the Government Solicitor refers to certain attempts at compromise which have served to complicate the position.

2. The facts of the case are that as stated above, the auctioneers appropriated the full commission without the approval of the Department and as they submitted that they had widely advertised the sale and were hopeful of effecting a slae for about Rs.25,000/- and would have done so had it not been for the Court's injunction, they were asked to revise their bill in the direction indicated above. Their last reply is a request that the matter should be further reconsidered, vide their letter dated 27th July 1931 (copy enclosed).

3. In the circumstances I request the approval of Government to take such steps as the Government Solicitor may advise to recover the balance due from the auctioneers. Copies of correspondence on the subject are enclosed for the information of Government.

4. As regards the suit filed by M.R.Ry Muthyala Seenappa Ramanna, Proprietor, Match Factory, Bellary, against the New India Assurance Company, Madras, in respect of the damages sustained by him as a result of the fire on 5th November 1928, the matter came up for final hearing before His Lordship Mr. Justice Stone about the end of last month and a decree for Rs.20,477-10-6 was paid in favour of the plaintiff. I enclose a copy of the Government Solicitor's letter No.3010 dated 28th October 1931 from which it will be observed that except the amount of costs, the amount of the decree has been ordered to be paid to the Government Solicitor by the defendants. The Government

Solicitor

Solicitor reports that the amount has not yet been received by him and that Messrs. Short Bewis and Co., Attorneys for the Insurance Company have promised to communicate with him on receipt by them of the copy of the order of Mr. Justice Stone. If this amount is adjusted towards Government dues, the balance to be recovered from the borrower will amount to Rs.432-14-8 as shown in my letter No.15-A/31 dated 3rd November 1931 to the Government Solicitor (copy enclosed). The Government Solicitor considers that the basis on which my calculation of the amount due has been made appears to be correct and in conformity with the conditions laid down in the mortgage deed and in Rule 22 of the Rules framed under the State Aid to Industries Act.

R

p.232 infra

page 236 infra

5. The suit filed by the minor sons of Ramanna in the District Munsiff's Court, Bellary, in which Government have been impleaded was posted to the 11th November 1931 and the Government Pleader, Bellary, wrote to say that it would be unnecessary to proceed with the case if the amount of the insurance award was sufficient to cover the amount due to Government from Ramanna. As shown above, there is still a small balance to be recovered and the Government Solicitor who was consulted as to whether or not in the circumstances I should authorise the Government Pleader, Bellary, to proceed with the de

the best course to adopt would be to get the same adjourned to some day in the first week of January by which time the different questions that are now outstanding in connection with the Match factory would probably be settled. I issued instructions to the Government Pleader, Bellary to obtain an adjournment accordingly. In this connection I may inform Government that the Government Solic[illegible] opinion that the costs incurred by Government in defending the suit may be recovered from Ramanna as such costs represent the damages sustained by Government as a

B

consequenc

consequence of the breach by Ramanna of the implied covenant that he is empowered to transfer by way of mortgage the properties in question. Such damages must however, he states, be separately claimed and recovered from Ramanna and cannot be added on to the amount due under the above mortgage.

6. Meanwhile I have received a printed petition from Ramanna through his vakil and I submit it in original to Government for favour of perusal and return. Ramanna requests that Government may be pleased to accept a sum of Rs.10,000/- in addition to the sum of Rs.3,765/- already credited to Government, in full discharge of the mortgage bond. I do not propose to consider his representation which may be rejected.

for Director of Industries.

PVB/18-11.

The Director of Industries Dr.

M a d r a s

Bought of Zackeria Sait and Sons, General Merchants, Land-Lords Contractors, Government and Public Auctioneers.

Terms - Cash

Credit to approved customers only.

Interest charged at 12 per cent per annum after one month

To Commission on sale of Match Factory Machinery for Rs 4500/- @ 3%	135 0 0
To Commission on sale of Land and buildings valued at Rs 20,000/- @ 3%	600 0 0
Rupees	735 0 0

E. & O.E.

Copy of letter dated 30th September 1930 from Messrs. Zackria Sait & Sons, Bellary.

Ref:- Your letter No.115-A/30 of the 21st instant regarding Auctioning the Bellary State-aided Match factory.

We beg to state that the amount of our claim for Rs.735/- billed for, on sold and unsold properties of the Factory is based on the terms of commission upon i.e.

(a) 3% Commission if factory is sold

(b) A sum of Rs.200/- if factory is not sold.

We have advertised the sale very widely and we were certain of effecting a sale and realising at least Rs.30,000/ and we never expected that the alternative (b) above or any side slip issues will operate upon us.

The site and the buildings thereon were not sold owing to The Bellary District Munsiff's Court order we received at the nick restraining the sale and splitting it into two parts vide District Munsiff's Order in O.S.313/30 I.A.Nos.649 and 697/30 dated 25-7-30 which we communicated to you in our letter. This break down was through no fault of our own and we should therefore in all equity be compensated by Government by giving commission at least on the minimum valuation, to cover the expenses we incurred. Hence we treated the transaction in two different items and billed accordingly.

A

(1) Commission @ 3% on Rs.20,000/- on minimum valuation of buildings.	600- 0- 0.
(2) Commission @ 3% on Rs.4500/- amount realised by the sale of Machinery.	135- 0- 0.
Rs.	735- 0- 0.

The [illegible] g to the actual sale proceeds realised, would entirely strand us on the debit side of our business, as the commission on Rs.4500/- @ 3% would amount to Rs.135/- much below the minimum remuneration fixed viz., Rs.200/- while our expenditure on

publicatins, printing, canvassing, postage, conveyance and all other incidental charges is nearly double the minimum amount.

We therefore beg to submit the matter for your kind consideration.

Thanking you in anticipation and await.

Copy of this office letter No.115-A/30dated 11th December 1930 to Messrs. Zackria Sait & Sons, Bellary.

The valuation of the Bellary.Match Factory buildings by the local Revenue authorities in July 1926 was as follows:-

Factory building	Rs. 8000/-
Residential	" 5000/-
Site	" 1000/-
	" 14000/-

As 2½% is allowed for depreciation on pucca buildings, the depreciation on the value of the buildings for 4 years from July 1926 works ~~at~~ Rs.1300/-. Deducting this from the original value, the value in July 1930 works out to Rs.12,700/- . The commission at 3% thereon is Rs.381/- and including the sum Rs.135/- the amount of commission on the sale proceeds of the machinery, the total amount of commission due to you is therefore Rs.516/- I shall feel obliged therefore if you will be so good as to remit me the balance of Rs.219/- at an early date.

2. Please also hand over the key of the match factory to the Tahsildar of Bellary.

735
516
219

Copy of letter No.2649 dated 1st October 1931 from the Government Solicitor, Madras.

Bellary Match Factory - Sale of Machinery by Zackria Sait & Sons, Bellary - Commission.

I have the honour to acknowledge receipt on the 3rd September 1931 of your letter No.15-A/31 dated the 31st August 1931.

I understand that messrs. Zackria Sait & Sons were appointed as auctioneers for the sale of the machinery and buildings belonging to the Bellary Match Factory and that they were promised a commission of 3% on the amount realised by sale or in the event of the properties not being sold at such auction a consolidated sum of Rs.200/- to cover their expenses of advertisement etc. On or before the date fixed for the sale, however, an order from the District Munsiff's Court, Bellary, was served on you restraining you from selling the land and buildings belonging to the Factory. Such order, however, not relating to the machinery in such Factory the machinery alone was sold by the auctioneers for a sum of Rs.4500/-. The auctioneers now claim a 3% commission not only on the sum of Rs.4500/- realised by the sale of the machinery but also on the sum of Rs.20,000/- being the estimate value of the land and buildings advertised for sale. I am asked to advise what legally is the amount due to the auctioneers in respect of this transaction.

289 Supra

3. There appears to be no dispute as to the Commission payable in respect of the machinery sold by the auctioneers. This amounts to a sum of Rs.135/- at 3% on the sum of Rs.4500/- raised by the sale, The only dispute is as to what amount if any is payable to the auctioneers in view of their instructious attempt to sell the land and buildings. With regard to this portion I am of opinion

that

that the contract between the parties is avoided owing to the happening of a subsequent event or contingency beyond the ken of the parties at the time of the transactionfor the occurrence of which neither of them is responsible and for which they have not provided. The order restraining the sale passed by the District Munsif's Court is, in my opinion, an event or contingency of the kind mentioned above and has the effect of avoiding the portion of the contract to which it relates. The auctioneers would, therefore, be entitled at best only to the consolidated sum of Rs.200/- fixed in the contract in addition to their commission on the sale proceeds of the machinery.

4. ce from your letter that certain attempts have been made to compromise the matter by offering to the auctioneer the sum of Rs.381/- in respect of the attempted sale of the buildings. This would probably complicate matters to a certain extent if it is necessary to resort to Civil proceedings for the recovery of the amounts unauthorisdely retained by the auctioneers.

R

Copy of this office letter No.115-A/30 dated 21st September 1930.to Messrs. Zackria Sait & Sons, Bellary.

Ref:- Your letter dated 4th September 1930 forwarding a bill for Rs.735/-

You have claimed Rs.600/- as commission on sa f land and buildings valued at Rs.20.000/- . This .ncludes commission on the value of land not available for sale and therefore not sold. If this is so, I would suggest your revising the bill claiming commission on the value of the property actually sold. I shall pass your revised bill as soon as the records are received.

Copy of letter dated 18th March 1931 from Messrs. Zackria Sait & Sons, Bellary.

We beg to acknowledge receipt of your No.15-A/31 of the 9th instant enclosing copy of your letter No.115-A/30 dated 11th December 1930.

In reply we beg to state that the value quoted in your letter under reference is very low as compared with the market value of property, situated in the locality in which the match factory is situated. At the time of the auction we had a likely purchaser who intended to purchase the complete factory for Rs.25,000/-

Under these circumstances, we request you to kindly give your kind and favourable consideration to these facts and you will see that the claim made by us is very reasonable.

They keys of the match factory have been handed over to the Tahsildar of Bellary on a requisition from him.

Thanking you in anticipation.

Copy of this office letter No.15-A/31 dated 9th July 1931 to Messrs. Zackria Sait & Sons, Bellary.

The Collector of Bellary reports that you will consider the question of paying the balance of Rs.219/- the excess commission adjusted by you without my approval on receipt of a reply to your letter dated 18th March 1931. The details as to how this amount was arrived at were already furnished to you in my letter No.115-A/30 dated 11th December 1930 from which it will be seen that the valuation of the buildings etc., has been made by the Revenue authorities and depreciation allowed in accordance with the usual practice and the commission due to you calculated accordingly. You will thus observe that have allowed the 3% commission on the value of the buildings also although they have not been sold and the

sale is thus not complete. In the circumstances I request to remit at a very early date the amount of Rs.219/- into the local Treasury to the head of account "Loans and Advances-Provincial Government- Advances under Special Laws (State Aided) Aided Industries and to advise me as soon as you have done so.

Copy of letter dated 27th July 1931 from Messrs. Zackria Sait & Sons, Bellary.

We beg to acknowledge receipt of your No.15-A/31 of the 9th instant. In reply we most respectfully beg to state that, the valuation of the Revenue authorities was very low in comparison with the local prevailing market value.

We therefore beg to submit that we will loose very heavily if we are to refund Rs.210/-. We therefore request you to kindly reconsider the matter and pass favourable orders taking into consideration the demand at that time. We are prepared to meet you reasonably.

Thanking you in anticipation and await.

Copy of letter No.3010 dated 28th October 1931 from the Government Solicitor, Madras.

C.S. No.219 of 1931 - Muthiala Ramanna vs New India Assurance Co.,

I have the honour to state that the above suit ame up for final hearing before His Lordship Mr. Justice tone and a decree for Rs.20,477-10-6 was passed in favour f the plaintiff. The above sum is to carry interest at he rate of 6% per annum from the date of the fire and iberty was given to the defendants to retain out of the

above said sum about Rs.750/- due to them in respect of the costs of the first arbitration proceedings.

On my representation His Lordship has also ordered that, except the amount of costs, the amount of decree will be paid to the Government Solicitor by the defendants.

I shall be obliged if you will be good enough to inform me at a very early date the exact amount due to Government in this matter up to 31st October 1931.

Copy of this office letter No.15-A/31 dated 3rd November 1931 to the Government Solicitor, Madras.

Your letter No.3010 dated 28th October 1931.

Muthyala Seenappa Ramanna.

There is some difficulty in arriving at the correct amount due from the Company, The loan of Rs.20,000/- granted to Muthyala Seenappa Ramanna was disbursed on 29th September 1927. The borrower was required to repay it in 20 instalments payable on 1st October of every year.

With the first instalment he was required to pay simple interest on the whole sum of Rs.20,000/- for 29th and 30th September 1927. The first instalment fell due on 1st October 1928 and the borrower was reminded on 21st September 1928 to pay it. He pleaded inability to pay the instalment and applied for extension of time for doing so. When his application was under the consideration of Government, his factory caught fire and as you are aware Government were compelled to demand the repayment of the entire amount then owing to Government and a notice demanding it within three months was served on him about the 4th February 1929. The borrower failed to repay in due time and Government then exercised the right of sale conferred

on them by the mortgage deed after giving him due intimation on 17th June 1930. The machinery was sold on 28th July 1930 for Rs.4500/-. There is some dispute regarding the commission to be allowed to the auctioneer; the auctioneer paid only Rs.3765/-, Rs. 1500/- on 17th September 1930 and Rs. 2265/- on 30th September 1930 the dates being those on which the amounts were credited to Government, though not the dates of receipt of cheques in this office. I recapitulate these events with a view to enable you to form an opinion as to whether the interest I propose to levy on the outstandings from the borrower will be legal.

2. The question to be decided is what rate of interest should be levied and from what dates. The rate of interest charged is 6½%. Under Rule 22 of the Rules framed under the Act, "on every instalment of interest or of principal and interest which is not paid on the dates fixed for payment a penalty at the rate of 10 per cent per annum shall be levied from the said date provided that the authority granting the loan may in cases in which it finds sufficient reason for doing so, remit such penalties in whole or in part subject to the payment of interim interest during the moratorium period." In accordance with these rules I have calculated the amount due from the borrower at Rs.23,836-~~11~~-11. -vide statement enclosed.

How the amount is arrived at is explained below.

On 1st October 1928, the first instalment of Rs.1815 plus simple interest on the entire loan for two days i.e., the 29th and 30th September 1927 fell due. As the amount was not paid on the due date, penal interest at 10 per cent is charged from 1st October 1928 to 31st October 1931. The balance of principal remaining on 1st October 1928 was Rs.19,485/-. This amount also was demanded by a notice on 4th February 1929 and became payable on this date. Simple interest on this amount at 6½ per cent

per annum up to 4th May 1929 is calculated. Subsequent to this date, penal interest is charged on the balance of the principal and the simple interest thereon, at 10 per cent up to 31st October 1931. The amount recovered by the sale of machinery is taken in reduction of the penal interest first and then simple interest. The total amount due under this decree is Rs.24153-6-3 (Rs.20,477-10-6 plus interest on the same from 5th November 1928 to 31st October 1931 amounting to Rs.3675-11-9). and the amount available after allowing defendant's cost viz. Rs.750/- is Rs.23403-6- This amount may be adjusted towards the Government dues. The balance to be recovered from the borrower thus amounts to Rs.432-14-8. I may in this connection, point out that the auctioneer has retained Rs.735/- out of the sale proceeds of the machinery on account of his commission. But the exact amount allowable to him is under consideration and any amount recoverable from him will be adjusted towards the balance due.

403-6-3
432-14-8

3. As you may be aware, a suit filed by the minor sons of Ramanna in which Government have been impleaded is now being defended by Government. Please let me know whether the borrower is in any way liable, according to the terms of the mortgage deed executed by him, to defray the cost of defence incurred by Government.

4. The suit referred to in the preceding paragraph is posted to the 11th instant. The Government Pleader, Bellary has written that it would be unnecessary to proceed with the case if the amount of the insurance award is sufficient to cover the amount due to Government from the borrower. As shown above, there is still a small balance of money to be recovered from the borrower. Please let me know whether or not I should in the circumstances authorise the Government Pleader, Bellary to proceed with the defence

of the suit. An early reply is requested.

State Aid - Bellary Match Factory

Principal Rs 20,000 paid on 29th September 1927

	Principal	Interest simple	Interest penal
1. From 1-10-1928 to 17-9-1930 penal interest on 1822-2-0 at 10% for 1 yr. 11 m. 16 days.	515	1,307 2 0	357 5 5
2. From 1-10-28 to 4-5-1929 on Rs.19,485 at 6½% for 215 days	19,485	746 0 7	
3. From 4-5-1929 to 17-9-30 on Rs.20,231 at 10% f 1 yr. 4 m. 13 days.			2,770 8 4
Total due on 17-9-1930	20,000	2,053 2 7	3,127 13.9.
4. Receipt of sale price of machinery on 17-9-1930			- 1,500 0 0
Balance due	20,000	2,053 2 7	1,627 13.9.
5. From 17-9-1930 to 30-9-1930 (13 days) 20,231 0 7 + 1,822 2 0 = 22,053 2 7 at 10% for 13 days	20,000	2,053 2 7	79 10.3.
Total due on 30-9-1930	20,000	2,053 2 7	1,707 8.0.
6. Receipt of sale price of machinery on 30-9-1930 (Rs.2,265)		557 8 0	1,707 8.0
Balance due on 30-9-30	20,000	1,495 10 7	nil.
7. From 30-9-30 to 31-10-31 1 yr. 1 m. 2 days at 10% 21,495-10-7			2,340 10. 4
Total	20,000	1,495 10 7	2,340 10 4

= Rs.23,836 4 11.

A W A R D.

	Principal	Interest
From 5-11-1928 to 31-10-31 Rs.20,477-10-6 at 6% 2 yrs. 11 m. 27 days	20,477 10 6	3,675 11 9
	24,153 6 3.	

 Cert of distribution

15-A/31 (21/8 ... 10-11-31)

Before the Director of Industries

~~In the High Court of Judicature, Appellate Side at~~ Madras.

Petition No. of 193 1

~~In the Court of~~

In the matter ~~No. of 192~~ of Muthiala Seenappa Ramanna Match Factory, Bellary

~~Appellant.~~ Petitioner.

Muthiala Ramanna

Versus.

7- NO

~~Respondent.~~

I, ~~we~~ Muthiala Ramanna the ~~Appellants~~ Petitioner~~s~~-Respondent~~s~~ in the above ~~Appeal,~~ Petition, do hereby appoint and retain **Mr. B. Somayya** and Mr Kasturi Seshagiri Rao, Advocate of the High Court to appear for me/us in the above Appeal/Petition and to conduct and prosecute (or defend) the same and all proceedings that may be taken in respect of any application connected with the same or any decree or order passed therein, including all applications for return of documents or the receipt of any moneys that may be payable in the said Appeal, Petition and in all appeals and applications under Clause 15 of the Letters Patent and in all applications for Review, and for leave to appeal to His Majesty in Council.

Muthyal Ramanna

I certify that the contents of this vakalat were read out and explained in in my presence to the executant who appeared perfectly to understand the same and made his, her, their signature/mark in my presence, this 22 day of September 1931.

High Court, Madras.

No. of 192

VAKALAT.

Accepted.

Kasturi Sastagiri Rao Advocate.

B Somayya

Advocate for Appellant / Respondent / Petitioner

3/10/1921.

Mr. B. Somayya,

Advocate for ~~Appellant~~ / ~~Respondent~~ / Petitioner

he address :—

~~No. 58, Law Chambers,~~

High Court Buildings, Madras.

To

THE DIRECTOR OF INDUSTRIES,

CHEPAUK, MADRAS.

——:(o):——

SIR,

The humble petition of Muthyala Ramanna, Proprietor, Match Factory, Bellary, respectfully showeth as follows :—

Your petitioner started an enterprise of manufacturing safety matches at Bellary, and towards the starting of the factory he laboured very much, invested a great amount of money derived from his ancestral property in this business, and succeeded in establishing a factory known as "Muthyala Seenappa, Ramanna Match Factory" at Bellary. This costed your petitioner a sum of nearly Rs. 60,000. The machinery alone that was imported for the purpose of running the factory costed nearly Rs. 35,000. The industry, which was quite a new one promised excellent prospects, and every care was taken to ensure a continuous and successful working of the factory. The whole of the factory including the machinery that was then in the factory was insured under a fire Policy No. 46025 with the New India Assurance Company, Limited, for the sum of Rs. 25,000. The date of expiration of this policy was 1st October, 1928.

2. The petitioner applied for State Aid to his factory under the provisions of the Madras State Aid to Industries Act, 1922, to the Government of Madras, for a loan of Rs. 20,000 to enable him to provide the working capital for his factory. The Government after making enquiries, and after considering the possibilities of success of the enterprise, was pleased to grant a loan to the petitioner of a sum of Rs. 20,000 about the end of September, 1927. Your petitioner duly executed a registered mortgage bond in favour of the Secretary of

State for India in Council, whereby he mortgaged the property mentioned in the Schedule to that bond to secure the repayment of the amount of Rs. 20,000 with interest thereon at the rate of 6½ per cent per annum by 20 yearly payments compounded of principal and interest during the period of 20 years, the first of such payments to be made on the 1st October, 1928, and the subsequent payments to be made on the 1st October in each subsequent year, until and inclusive of the year 1947, the first 19 instalments of which to be Rs. 1,815 and the 20th instalment to be Rs. 1,817—8—0 simple interest at the rate of 6½ per cent per annum on the said sum of Rs. 20,000 being payable for the period between the date 23—9—27 and 1—10—1928.

3. Your petitioner's factory worked for about sixteen months during which period the results of the working were quite satisfactory. But Providence had so designed that on 5—11—1928 the factory caught fire accidentally, and practically the whole of the machinery was burnt and completely destroyed by fire. At the time when this fire broke out the factory including the machinery therein was the subject of insurance with the New India Assurance Company, Limited, under a fire Policy No. 48291. The factory and the machinery were insured for a total sum of Rs. 48,000.

4. The occurrence of the fire, and the consequent destruction of the machinery and the factory of your petitioner completely ruined your petitioner. Not only the bright prospects of working the factory and the chance of making good profits therefrom were all gone but the petitioner also lost all the capital which he invested in the enterprise; in addition there remained the liability of repaying to the Government the sum borrowed from them under the mortgage deed referred to above. If the factory had been working and if no fire had occurred, it would have been quite an easy matter for your

petitioner to repay the loan as per the conditions and stipulations mentioned in the mortgage deed.

5. After the events stated in the foregoing paragraph the petitioner entered on a course of miserable and distressed life which it is impossible to describe in the course of this humble petition in all its wretchedness. Your petitioner who was one of the foremost citizens of Bellary belonging to a respectable and wealthy family which continued to be rich for generations found himself suddenly thrust from his elevated position and thrown on the street. Besides the properties mortgaged to the Government under the mortgage deed aforesaid the properties belonging to the family of your petitioner were mortgaged to other creditors of the petitioner and your petitioner had to sell most of them for the liquidation of the debts borrowed on the security thereof. The financial position of your humble petitioner is absolutely gloomy. In spite of the privations and misery that he suffered there was one object which he kept in view, namely, to keep his self-respect and to remain a gentleman of honour. As the factory was covered by a fire policy he applied to the Insurance Company to pay the amount of damages sustained by reason of the fire. The petitioner believed that the Insurance Company would pay the amount of damages sustained by him so that the factory might be reinstated and put in working order. If that had been done as your petitioner fondly hoped, your petitioner would not have cared about what he himself lost, and he would have first seen to the fulfilment of the conditions of the mortgage deed and repaid the loan borrowed from the Government. Quite contrary to his expectations, the petitioner had to meet with difficulties and obstacles thrown in the way of reinstatement of the machinery in the factory and its renewal by recalcitrant attitude of the Insurance Company. The Company began to make delay in payment of the amount of damages claimed by your petitioner. It wantonly delayed

even the reference to arbitration which under the terms of the policy the parties had to resort to for ascertaining the amount of damages. In order to fight the Company's dilatory tactics the petitioner had to come to Madras on numerous occasions and remain at Madras for months together. He had to engage vakils to represent him in the proceedings conducted to recover the amount claimed from the Insurance Company under the fire insurance policy. Ultimately arbitration began with one Mr. Adlard as umpire. Your petitioner has refrained from mentioning all the events that took place before the appointment of this arbitration. Arbitration proceedings had to take place in Madras. Your petitioner is a permanent resident of Bellary, and his witnesses also are permanent residents of Bellary. The cost and expenses of a proceeding like this in the city of Madras can easily be imagined. Prior to the arbitration presided over by Mr. Adlard as umpire, there were several arbitration proceedings which all proved to be infructuous for one reason or another. All this trouble your petitioner took only with the object of resuscitating the burnt factory so that your petitioner might be able to liquidate the sum borrowed from the Government. Any other person in his circumstances would have easily give up the attempt as hopeless. Your petitioner had to borrow monies which it was not easy for him to obtain as all his ancestral property was heavily encumbered and some of it had to be sold and it is on the honesty and word of your petitioner that he was able to get just enough money for prosecuting the proceedings which he initiated against the Insurance Company which would not pay the amount of damages sustained by him without recourse to all these proceedings. Besides he procured assistance from several persons on promise that he would, when the claim was settled with the Insurance Company, remunerate them for their services and assistance.

6. The Company sent one Mr. Lockley to Bellary to assess the amount of damages occasioned by the fire. This gentleman

stayed hardly half an hour in the factory. After making a very superficial examination he sent a report to the Company that the damages sustained were about Rs. 4,800 and odd. The Company stuck to the report of this gentleman and offered to pay only the said amount. The petitioner knew that the report of Mr. Lockley was thoroughly untrustworthy as he made no examination worth the name and in order to satisfy the company that it could not rely upon his report sent for one Mr. Russel Green, late of Messrs. Buckingham and Carnatic Mills, and requested him to make a minute examination of all the machinery destroyed by fire and to make a full report of the amount of damages sustained by reason of the fire. This Mr. Russel Green after a thorough examination reported that the damages sustained were about Rs. 30,000. The Company even after that, refused to reconsider its decision with the result that arbitration proceedings, as stated, above had to be commenced. The Company would not take steps for appointment of an umpire, and your petitioner had to apply to the High Court, Madras, for appointment of an umpire. Mr. Adlard on your petitioner's application was appointed umpire by order of the High Court.

7. The arbitration presided over by Mr. Adlard gave an award to the petitioner in the sum of Rs. 7,673—10—6. Your petitioner, although he was reduced to a penniless condition by the time this award was made, not satisfied with this award filed an application in the High Court, Madras, for setting aside this award. After very great trouble and expense your petitioner succeeded in getting this award set aside by order of Court dated 3—4—1930. The legal expenses of a proceeding like this in the High Court of Madras can easily be understood. Thereafter your petitioner finding that clause 13 of the policy of insurance prevented him from obtaining any benefits under the policy unless he commenced a suit against the Insurance Company within three months after the claim was made

and rejected by the Company was obliged to institute a suit in the High Court, Madras, which was numbered as C. S. No. 219 of 1930. When the summons was served on the Company, the Company took the technical objection that the suit should not be tried but that the petitioner should submit to a fresh arbitration. Finding again that the Company was raising fresh difficulties and that it was intent upon ruining your petitioner so that he might not be in a position to prosecute the suit against the Company your petitioner made an appeal to the learned Judge of the High Court before whom the suit came on for hearing that he would submit to any orders passed by the Court in the circumstances of the case which were fully mentioned to the Court. The learned Judge of the High Court stated that he would himself keep the suit on his file but that he would make a reference through Court to a sole arbitrator. This suggestion was accepted by both parties and accordingly one Mr. K. S. Setty, Principal of the Chengalvaroya Naicker's Institute, Vepery, Madras, was appointed sole arbitrator. After an elaborate enquiry by this arbitrator which lasted for nearly 6 months this arbitrator made an award granting to your petitioner a sum of Rs. 18,504—4—4. I had to stay for most days during this period in the City of Madras incurring heavy expenses. I had to bring all my witnesses before the arbitrator all the way from Bellary. I had to engage counsel on my behalf as the Company engaged eminent counsel on their side. The Company engaged Messrs. Short, Bewes & Co., Solicitors and Mr. Vere Mocket, a leading counsel of Madras in court and before the arbitrator it engaged Mr. K. Narasimha Iyer and Messrs. Srinivasa Raghavan and Thyagarajan to conduct the case so I had to engage senior and junior counsel both in court and before arbitrator. All these necessitated expenditure of money which I was hardly able to bear.

Meanwhile Government pressed for the repayment of the amount of loan borrowed from them. My whole financial position

Government did not understand then. It only insisted upon the repayment of its loan. Although it was pointed out that the burnt machinery should be preserved pending arbitration proceedings between the petitioner and the Insurance Company Government proceeded to bring to sale that machinery heedless of the request made by your petitioner. The machinery was as a matter of fact sold away for about Rs. 4½ thousands. This sale the petitioner believes has greatly affected the amount awarded by the arbitrator Mr. K. S. Setty. Your petitioner believes that if the machinery had been preserved so that the arbitrator might have an inspection of the same he would have been able to assess the damages at a higher figure than what he has actually done.

9. Your petitioner had not only trouble from the Company but his sons, Giriappa and Seenappa, minors, by their mother, as their guardian and next friend, brought a suit against your petitioner O. S. No. 313 of 1930 in the District Munsif's Court, Bellary, alleging that the mortgage created by your petitioner in favour of the Government of Madras to secure the repayment of the amount of loan borrowed from them was not valid and binding upon them, that the properties covered by the mortgage as well as other properties were all ancestral properties in which they had a 2/3rd share and that the transactions entered into by your petitioner in connection with the starting of the match factory at Bellary were all not binding upon them. This suit is pending trial.

10. Your petitioner incurred heavy expenses in the various legal proceedings which he had to conduct and he has become indebted in nearly a sum of Rs. 10 thousand for all these various proceedings. The minors are setting up a claim even in the amount of the award. The humble petition of your petitioner is that the Government may be pleased to consider all the circumstances of

the case and to make a substantial reduction in the principal amount of Rs. 20,000 lent to your petitioner. That amount was given under quite favourable circumstances but unfortunately an accident had destroyed all such favourable circumstances and landed your petitioner in very grave financial circumstances. In these circumstances, it is impossible for your petitioner to repay the whole amount of the loan. He has had no benefit of the money borrowed from the Government. Your petitioner appeals to the mercy of the Government and begs that he may be excused from the full payment of the loan. The Government has already realised by sale a sum of Rs. 4,500 and odd. Your petitioner with great difficulty will endeavour to pay a sum of about Rs. 10,000 more to the Government. He prays that the Government may be pleased to accept these sums and relieve him from all further liability under the mortgage bond given by him to the Government. Otherwise your petitioner who is already ruined will be starved to death. More than this his self-respect and honour for protection of which he took all the trouble described in the fore going paragraphs will be blighted; and life thereafter to your petitioner is not worth living.

Your humble petitioner, therefore, prays that all the facts and circumstances of the case may be favourably considered by the Government, and that the Government may be pleased to accept this humble petition of your petitioner.

I have the honour to remain,

SIR,

Your most humble servant,

Muthyal Ramanna

B Somayya

Petitioner's Advocate

3/10/1931

PENROSE & Co., Printers, 19, Sunkurama Chetty Street, G. T., Madras.

The
~~the a account~~ of
Petitioner Showing
legal expenses.

Account extract maintained by Mr. Muthyala Ramanna regarding the Match Factory expended towards New India -- Assurance Company.

Amount.	Details.	Dates.
Rs. 50-0-0	Expended towards issuing Lawyer's notice through Mr. Kolachalam -- Venkata Rao.	28-11-28
" 0-4-0	Registering expenses for the above	3-12-28
" 20-0-0	Vakil's fees to Mr. Kolachalam -- Venkata Rao.	10-12-28
" 5-0-0	do. do. do.	14-12-28
" 0-4-0	Lawyer's notice expenses to Mr. Venkata Rao.	17-12-28
" 100-0-0	Consultation & lawyer's notice fees to Mr. Beldona Bhima Rao Vakil. ..	24-12-28
" 30-0-0	Expenses incurred towards going to Madras regarding the consultation of Vakils for suing against your Company and for also consulting -- the Engineers.	13- 1-29
" 5-10-0	Vakil fees to Mr. Sirigeri Narasinga Rao asking for arbitration viz., Type charges 0-6-0 Vakil fees 5-0-0 Registration fees 0-4-0.	21- 1-29
" 10-14-0	Type charges incurred either towards suing against your company or for commencement of arbitration(whole records have been typed) viz: typing charges Rs.10/- 0-10-0 ¼ reem type papers Jut charges 0-4-0	31- 1-29
" 20- 0-0	Vakil fees to Mr. D.L. Setty regarding the issue of Lawyer's notice for arbitration and other sundry works.	3- 2-29
" 150-0-0	Expenses incurred towards going to Madras both to Mr. Muthyala Ramanna and Mr. D.L. Setty Vakil for arbitration(from 9-2-29 to 12-2-29) viz. fees Rs.80/- to Mr. D.L. Setty -- Rs.70/- Railway frieght, Tram -- charges, & other sundries.	15- 2-29
392-0-0		

Amount	Details.	Dates.
Rs. 325-0-0	Out of Rs.600/- arranged to be paid to Mr. W. Russal Green for certifying the burnt machine and to give evidence until the closure of arbitration Rs.300/- have been paid & Rs.25/- railway expenses &c. incurred to Mr. Ramanna towards -- going to Madras	15-3-29
57-12-0	Expenses incurred to Mr. W. Russal Green for coming to Bellary on -- 14-3-29 and staying till 16-3-29 -- for certifying and testing the burnt Machine and going back to Madras on 16-3-29 double second class charges meals &c.	16-3-29
0-14-0	Typing charges towards asking for -- arbitration 0-10-0 & postal registration fee 0-4-0	17-3-29
174-14-3	Rs.39-14-0 from 12-2-29 to 29-2-29 incurred towards Neelakantappa's staying at Madras for incurance -- purpose Ry: charges, meals, Tram, Bus & Telegram - Type and other sundries Rs.60-0-3 from 14-3-29 to 2-4-29.	
	Expenses towards Neelakantappa's staying at Madras for insurance -- purpose viz: Railway charges, meals, refreshment, type charges, registration charges, cards & covers and other sundries Rs.25/- from 28-3-29 to 7-4-29.	7-4-29
	Expenses incurred towards Ramanna going to Madras for purpose of -- insurance and to back to Bellary -- Ry: charges, meals, and other sundries Rs.50/- cash paid to Mr. W. Russal Green at Madras on 5-4-29.	
	Couple of registered letters despatched to Insurance Company Postal registration fees.	17-4-29
0-4-0	One registered letter despatched to the Company:	22-4-29
559-4-9		

Amount.	Details.	Dates.
Rs. 44-15-3	Expenses incurred towards Neelakantappa's staying at Madras from 15-4-29 to 24-4-29 for incurance business viz., type charges, Railway charges, meals, refreshment & other sundries	24-4-29
1-0-0	Typing charges, registration fee regarding a letter sent to Insurance Company 0-12-0.	
	Despatch of a Book post to our - Arbitrator Mr.G. Subbiah Chetty 0-4-0.	29-4-29
0-11-0	Type charges for typing a statement of claim.	2-6-29
236-9-9	Rs-7-0-0 fees paid to Mr.T. Pattabhi Rama Iyya Vakil for getting records of Mr. W.H.Lockly of his incarciration in -- connection with a criminal Case on 9-7-29.	
	35-0-0 Fees paid to Mr.T. Pattabhia Ramayya Vakil for drafting a petition regarding the -- appointment of Umpire and to file the same in the court Rs. 25/- on 27-6-29 " 10/- on 19-7-29	12-7-29
	18-0-0 Paid to our arbitrator Mr.G. Subbiah setty for tram and other sundry expenses for a period of two months 24-6-29	
	15-0-0 Consultation fees paid to Mr. T. Appajee Row Vakil regarding arbitration on 21-7-29	
	" 161-9-9 From 2-5-29 to 22-7-29 expenses incurred towards Neelakantappa's staying at Madras for purpose of arbitration Ry: charges, meals, Tram, Bus, Telegraph & other sundries	
0-4-0	One registered letter despatched .	6-8-29
283-8-0		

Amount.	Details.	
Rs.137-0-0	Rs.100/- deposit with the Umpire regarding the fees of arbitration Rs. 27/- from 17-10-29 to 19-11-29 expenses incurred to Mr. Ramanna at Madras for arbitration, meals Ry: charges & other sundries.....	19-11-29
Rs.773-8-0.	Expenses incurred towards arbitration	
	Rs.125-0-0 Fees paid to Mr.Barister B.A.Lobo for arguing in -- the arbitration before the Umpire.	
	" 150-0-0 Deposit with the Umpire 22-10-29	
	" 300-0-0 Balance fees paid to Mr. W.Russal Green on 11-11-29	
	" 25-0-0 Stamp and ~~Vakalat~~ Vakil fees paid to Mr.T.Pattabhia Ramayya on 26-9-29.	28-12-29
	" 10-0-0 One stamped label to be -- affixed to Umpire petition 17-7-29.	
	" 1-0-0 Umpire appointment application 10-10-29.	
	" 5-0-0 Award fees affixed for -- sending the same to by Umpire 4-12-29.	
	" 5-0-0 fees paid to Mr.T.Pattabhi Ramayya for awarding application 3-12-29.	
	" 5-0-0 Full fees paid towards the above application 17-12-29	
	" 147-8-0 From 12-9-29 to 31-12-29 expenses incurred by Neelakantappa at Madras for purposes of arbitration towards Ry: charges, meals, refreshment, type, Tram, Bus & other sundry expenses. ...	
Rs.375-0-0 --------- 1288-8-0	Monthly wages to Neelakantappa for staying at Madras for a period of seven and a half months by way of going to Madras from Bellary five times at Rs.50/- per month.	6-1-30

Amount.	Details.	Dates.
Rs.266-5-0	Rs.150-0-0 fees paid to Mr. B. Somayya towards setting xxx aside the award out of the amount of promised Rs.300/- on 28-1-30	
	" 30-0-0 Fees paid to Mr. Kasthuri -- Seshagiri Rao Assistant of Mr. B. Somayya out of Rs.60/- promised 26-1-30.	
	" 6-0-0 Paid to Mr. K.Seshagiri Rao towards Bench of attorneys 26-1-30.	
	" 50-0-0 Paid to Namal Subbayya for assisting in securing a Vakil	1-2-30
	" 30-8-0 From 22-1-30 to 1-2-30 expenses incurred to Mr. Ramanna towards going to Madras and staying there viz: Railway charges, meals, Tram, Bus, Telegram and other sundry expenses.	
1-1-0	For despatch of Insurance records -- through registration to Ramanna from Bellary.	24-2-30
Rs.1106-11-6 -- ~~1574-1-6~~	Rs.20-0-0 Fees paid to Mr.E.A.Lobo Bar-at-Law towards High Court application No.3999 of 29 out of Rs.30/- promised to be paid 10-2-30	
	50-0-0 Balance fee paid to Mr. B. Somayya for 3999 of 29	20-2-30
	30-0-0 Balance fee paid to Mr.K. Seshagiri Rao towards 3999/29	20-2-30
	4-0-0 Retainery paid to the Gumastha of Mr. B. Somayya	26-2-30
	1-0-0 Swearing	27-2-30
	10-0-0 Suphena to Umpire Mr.E.D.Lord	28-2-30
	10-0-0 do.	5-3-30
	10-0-0 do.	21-3-30
	4-0-0 four times suphena served on Mr. N.Narayana Rao arbitrator	
	10-0-0 Suphena to Umpire E.D.Lord	1-4-30
	15-0-0 for 3999 of 29 lable for 3 exhibits	
	Judgment copy order copy	3-4-30

Amount.	Details.	Dates.
	Rs.15-0-0 Type expenses for launching a suit in the High Court.	
	" 250-0-0 Court fees stamp for the above.	25-2-30
	" 40-0-0 Deficit stamp for the above	27-2-30
	17-0-0 Stamp for swearing the -- plaint.....	27-2-30
	12-0-0 Typing charges for plaint messinary schedule and -- other sundry typings.	
	5-0-0 Post cards and covers	
	253-11-6 from 6-2-30 to 10-4-30 expenses incurred towards Mr.Nagadi Narayana Rao -- arbitrator for staying at Madras for Railway charges meals, refreshments, Tram, Bus and other sundry expenses.	10-4-30
~~xxxx50x0x0~~	250-0-0 6-2-30 Ramanna's going from Bellary to Madras. 7-3-30 Return to Bellary 15-3-30 Bellary to Madras 10-4-30 Madras to Bellary coming and going railway charges, meals, Tram and Bus expenses and other sundry expenses.	
Rs. 58-0-0	Rs.20-0-0 Fees paid to Kasthuri Seshagiri Rao for application No. 3999 of 29 towards taxation and other sundry business	30-4-30
	24-0-0 Paid for taxation bills	30-4-30
	1-0-0 Swearing stamp for plaint correction in the High Court	1-5-30
	13-0-0 Railway and meals expenses incurred by Ramanna for going to Madras on 29-4-30 and -- coming on 2-5-30.	2-5-30
Rs. 85-9-6 --------- 143-9-6	From 16-4-30 to 19-5-30 expenditure for Neelakantappa's staying at Madras for -- your insurance number Ry: fares, meals, Telegrams, Typing charges, Tram, Bus and other sundry charges.	20-5-30

Amount.	Details.	Dates.
Rs. 3-0-0	Post cards & covers for correspondence.	20-5-30
272-4-0	from 29-5-30 to 28-6-30 expenditure incurred to Neelakantappa for going to Madras, Bombay and back to Bellary for purposes of insurance by way of railway fares, -- meals and other sundry expenses.	28-6-30
18-1-0	For further typing the records & papers for the same. ..	1-7-30
51-8-0	Rs. 1-8-0 Telegrams to Mr.B.Somayya on 15-7-30	
	50-0-0 Expended towards Mr.Beldona Bhima Rao Vakil for his going to Madras to give -- instruction regarding insurance affair.	18-7-30
1-0-0	Money order charges for sending Rs. to Ramanna. .	25-7-30
290-0-0	Rs.225-0-0 Vakil fees paid to Mr.B. Somayya & Mr. Kasthuri -- Seshagiri Rao for opposing the petition presented by Insurance Company No.1599/30 20-7-30. ~~20-7-3~~	
	" 20-0-0 Paid to Mr. B. Somayya to be given to Mr.E.A.Lobo Barat-Law in connextion with No. 3999 of 29 balance fee 27-7-30	
	5-0-0 Type charges for affidavit	
	40-0-0 Expenditure incurred towards Ramanna's going to Madras by way of Ry: charges, Tram, Bus, meals and other sundry expenses and return to Bellary.	26-7-3
0-5-0	Registration charges incurred towards sending to Mr. Kasthuri Seshagiri Rao after being duly signing the affidavit	30-7-30
25-4-0	As per post cards of Mr.Kasthuri Seshagiri Rao Vakil and Gumastha of Mr. B. Somayya Garu Vakil amount sent in connextion with C.S.No.219/30 for ~~xxxxxxx~~ sundry expenses towards the above number including M.O. charges.	11-8-30
0-4-0	Registration expenditure towards sending a registered cover to the Insurance Company. ..	19-9-30
661-11-0		

Amount.		Details.	Dates
Rs. 10-6-0		Detailed expenditure as per bill granted by Mr. K. Seshagiri Rao in connection with Insurance Company versus Ramanna No. 3999 of 29 26-9-30.	6-10-30
56-6-0	Rs. 4-8-0	Tram charges to Vakil Mr. Kasthuri Seshagiri Rao.	
	" 3-0-0	Typing charges of reply affidavit.	
	" 1-0-0	Costs given to Mr. K. Seshagiri Rao to take -- copy of deposition of Mr. M. Lakshmi Narayana Rao & Mr. Killick arbitrators and Mr. Adlord Umpire.	
	15-8-0	Typing charges given to Mr. B. Somayya's Typist in connection with No. 1599/30 special typing on special papers typed copies of insurance records to be shown to High Court Judge.	6-10-30
	" 2-0-0	Retainery given to Mr. B. Somayya's Gumastha Venkata Ramayya.	
	" 30-6-0	from 21-9-30 to 6-10-30 Expenditure incurred by Mr. Ramanna for staying at -- Madras for insurance business by way of going and coming to Madras Railway charges, Tram, Bus, meals and other sundry expenses.	
Rs. 41-3-0	" 15-0-0	fees paid to Mr.Kasthuri -- Seshagiri Rao for issuing a notice to Insurance Company regarding the costs granted in connection with No.3999/29 and also for -- ordering of a cheque to be issued by the above said Insurance company 12-10-30.	
107-15-0	26-3-0	Expenditure incurred by Mr. Ramanna in connection with application No.1599/30 by way of going and coming -- both to Bellary & Madras Railway charges, meals, Tram Bus & other sundry expenses	

B - M.
18-10-30

Amount.	Details.	Dates.
Rs. 0-3-0	One Memorandum despatched to Mr. B. Somayya Garu Vakil enclosed in an anna envolop affixing 3 as. lables towards its registration	23-10-30
" 20-0-0	Expenditure incurred by Mr. Ramanna for ~~xxxxxxx~~ starting to Madras in connection with the posting date of 2nd arbitration being 22-11-30 starting from Bellary on 20-11-30 and returning on 23-11-30 by way of -- Ry: charges, meals, Tram, Bus and other sundry expenditure.	23-11-30
" 100-0-0	Fees paid to Mr.V. Narayana Setty Vakil to argue in the second -- arbitration.	29-11-30
" 60-0-0	Railway charges expended towards the following persons viz:- Vakil Narayana Setty, Bale Kotrappa & Ramanna Going date 29-11-30 oming back 3-12-30 meals, Tram, Bus and other sundry expenses including....	3-12-30
" 0-4-0	For despatching a registered letter to Insurance Company registration charges.	18-12-30
" 15-0-0	Ramanna's going to Madras on -- 27-12-30 to enquire after arbitration affair and return to Bellary on 31-12-30 and expending towards railway charges, meals, Tram, Bus and other sundry expenses	31-12-30
" 50-0-0	Out of the amount of Rs.100-0-0 promised to be paid to Mr.Kasthuri Seshagiri Rao to enquire after the second arbitration till the order of a final decree part payment of Rs.50/- on 28-12-30 at Madras by Ramanna..	31-12-30
81-12-6 --------- 327- 3-6	Expenditure incurred by Neelakantappa starting from Bellary to -- Madras on 10-11-30 and staying -- till 30-12-30 in connection with arbitration affair by way of Ry: charges, meals, Tram, Bus, refreshment & other sundry expenses both going and coming.	1- 1-31

Amount.		Details.	Dates.
Rs. 1-9-6		Costs incurred by way of sending records to common arbitrator and one copy of a typed letter intimating of the same and jutka, -- post and type expenses at Bellary	22-1-31
" 234-0-0	Rs.50-0-0	Fees paid to Mr.Green -- Engineer for his giving evidence in second arbitration case on 1-3-1931.	
	50-0-0	Fees paid from Yasarpet Match Factory Proprietor for his giving evidence on a future date on 17-2-31	
	134-0-0	Expenditure incurred towards the following items.	
		viz:- Neelakantappa's staying at Madras from 6-2-31 to 6-3-31	
		Ramanna and Kotrappa going to Madras to give evidence in arbitration case on -- 18-2-31 & returning to Bellary on 24-2-31 only Kotrappa	6-3-31
		Ramanna's return on 6-3-31	
		Village Munsif of Bellary starting to Madras to give evidence in -- arbitration case on 19-2-31 and returning on 24-2-31 by way of - meals, Ry: charges, Bus, Tram & other sundry expenses including stamps expended towards applying for extension for second arbitration.	
Rs. 42-8-0		Fees paid towards second arbitration through money order to Mr. Kasthuri Seshagiri Rao Vakil	16-3-31
25-0-0		Amount paid to Mr. Beldona Bhima Rao Vakil of Bellary for starting to -- Madras to give instructions to Mr.B. Somayya Garu Vakil of Madras in -. second arbitration case. .	18-3-31
303-1-6			

Amount	Details.	Dates.
Rs. 22-0-0	Rs. 0-12-0 For typing suphena to be served on the Tahsildar of Bellary and a copy of affidavit also 23-3-31.	
	1-2-0 Swearing stamp for the above.	
	20-2-0 Ramanna's starting to - Madras on 18-3-31 and - returning on 24-3-31 by way of railway charges, meals, Tram, Bus and -- other sundry expenses.	24-3-31
3-2-0	On attempting to serve suphena on the Tahsildar of Bellary it was urged -- that orders of the Collector has to be obtained and consequently Vakalat Jutka, typing charges, stamp for the petition to Mr. B. Bhima Rao, Vakil of Bellary.	25-3-31
2-7-0	Wire to Mr. B. Somayya Vakil of -- Madras enquiring after over startin with witnesses to second arbitratio	26-3-31
36-8-0	Rs.33-8-0 Second class Railway charges to the Tahsildar of -- Bellary to start to Madras in Easter Holidays to give evidence in second arbitration	26-3-31
	" 3-0-0 Batta to the said gentleman	
85-0-0	Expended towards arbitration affair by Neelakantappa, Kotrappa and Ramanna by way of Railway charges, Tram, Bus, -- meals and other sundry charges - starting date 27-3-31 returning " 30-3-31	30-3-31
15-0-0	Paid to village Munsif of Bellary towards his expenses to go to Madras for giving evidence in second arbitration arbitration date 5-4-31.	2-4-31
76-4-0	Expended towards the following items viz;- Ramanna and Kotrappa both going to Madras on 3-4-31	

240-5-0	Kotrappa's return to Bellary on 6-4-31 Ramanna's return to Bellary on 13-4-31 Petition for time extension, stamps &	

Amount.	Details.	Dates
	typing charges towards the said petition by way of Railway charges, Tram, meals, Bus and other sundry expenses.	13-4-31
Rs. 15-4-0	Ramanna's going to Madras on 17-4-31 and returning on 19-4-31 expenses -- incurred towards railway charges -- Tram. Bus & other sundry expenses.	20-4-31
80-0-0	Rs.20-0-0 fees paid to Mr.Kasthuri Seshagiri Rao for second arbitration as per out of the promised amount. 1-5-30	
	60-0-0 Expenditure incurred towards Ramanna's going to Madras on 25-4-31 and returning on 7-5-31 by way of Ry: charges, meals, -- Tram, Bus and other sundry expenses and also towards a petition for extension Stamp, typing -- charges &c.	7-5-31
26-13-0	Expended towards Ramanna's going to Madras on 16-7-31 and returning on 18-7-31 by way of Railway charges meals, Tram, Bus and other sundry expenses.	18-7-31
20-5-6	Ramanna's starting to Madras on -- 25-7-31 to consult Vakils on Law -- points regarding final decree and -- returning on 5-8-31 expended towards Railway fares, meals, Tram. Bus and other sundry expenses.	5-8-31
25-3-0	Ramanna's starting to Madras as to the date of final decree on 10-8-31 and returning on 21-8-31 expended by way of railway fares, meals, Tram. Bus & other sundry expenditure.	21-8-31
45-0-0 --- 210-9-6	Expended towards second arbitration final decree by Ramanna starting -- from Bellary to Madras on 1-9-31 & returning on 17-9-31 & also to file a counter petition, stamp, swearing type charges & Ry: charges, meals Tram. Bus & other sundry	17-9-31

Amount	Details.	Dates.
Rs. 45-0-0	Expended towards Ramanna's starting from Bellary to Madras on 18-9-31 and returning to Tadpatri on 14-10-31 to look after the date of the final decree by way of Railway charges meals, Tram, Bus and other sundry expenses.	14-10-31
"2800-0-0	Rs.800-0-0 As per the decision of Mr. Justice Eddy Esquire setting aside of the 1st award on 1-4-30 it was ordered that out of the costs incurred towards first arbitration Rs.800 ~~will~~ have to be paid by the Insurance Company -- deducting the same at -- the time of the final -- settlement of the claim.	
	" 2000-0-0 "I have agreed to pay for the suit No.219 of 1930, the Regulation Fee to -- Messrs: B. Somayya and taxed costs before the arbitrators. Such costs will not be less than Rs.2000/-.	
300-0-0	Other sundry expenses.	
3145-0-0		

Grand Total: Rs.9033-13-3

Mathpal Ramanna

DEPARTMENT.

UNDER SECRETARY TO G
17 DEC 1931
DEVELOPMENT DEPARTMENT

Received ..... 19 . *Registered* ..... 19 .

Subject.

Bellary Match Factory.

ENCLOSURES.
No. .....
Spare copies .....

No.15-A/31.

Station M a d r a s. , *Dated the* 15th December 1931.

From (Name) V.Ramakrishna Esq., I.C.S.,

(Designation) Director of Industries,

To The Secretary to the Government of Madras,

Development Department.

Sir,

P. 220 infra

Ref:My letter No.15-A/31 dated 17th November 1931.

The application for an adjournment in connection with the suit referred to in paragraph 5 of my letter referred above was filed in the District Munsiff's Court at ellary by the Government Pleader. The Court rejected the application and the suit was called and as the plaintiff was not ready, the suit itself was dismissed on 11th November 1931. The Government Pleader reports that in view of the adjournment petition, the Court disallowed his petition for costs. The Government Solicitor, Madras

P. 223 cf

A

B

states that the costs incurred by Government in defending the suit may be recovered from Ramanna and has asked me to make a formal demand on him of the actual expenses so incurred.

for Director of Industries.

Fin. Dept.

O. M. No. 3286-117/28-28. Dt. 15.1.32

Letter from the D.S. No. 15-A/31 Dt. 15-12-31 — Bellary Match Factory Recovery of the loan.

The D.S is requested to state whether the Rs 20,477-10-6 decreed in favour of M. Ramanna against the Insurance Company together with the interest thereon has been realised or not, ~~where it is likely to be realised~~ the reason for the de

B at p. 236.

To the D.S.

19-2-32

C.F. 30.

DEPARTMENT.

Received 19 FEB 1932 19 Registered 19

Subject.

Muthyala Seenappa Ramanna - Recovery of the loan.

ENCLOSURES.
No.
Spare copies

No.57-A/32

Station Madras, Dated the 16th February 1932.

From (Name) V. Ramakrishna Esq., I.C.S.,
(Designation) Director of Industries,

To The Secretary to the Government of Madras,
evelopment Department.

P 243

Sir,

Reference:- Government Memorandum No.3286-II/28-28 dated 15th January 1932.

I enclose copy of a letter No.253 dated 29th January 1932 received from the Government Solicitor and its enclosure. The amount is being credited into the Bank.

1 of P. 245

As the Government Solicitor advises taking further steps for the realisation of the balance, he probably thinks that the Insurance Company's contention in regard to the amount of Rs.3174-5-4 will be accepted by the Court.

3-of.P.246 w/m

At the time the auction of the machinery took

District Munsiff restraining us from selling 2/3rd of the land and buildings mortgaged to Government but no one was prepared at the time to bid for the 1/3rd portion of the land and buildings available for sale. We can therefore now ascertain whether a sale of this portion could not be effected by private arrangement. I am asking the Collector to see whether there are any offers for these and shall report later to Government.

K. at P.158 supra

Z

for Director of Industries

17.2.32

Copy of letter No.253 dated 29th January 1932 from the Government Solicitor. Madras.

C.S. 219 of 1930 - Muthiala Ramanna v. The New India Assurance Co., Ltd.,

A

I have the honour to enclose herewith a cheque for the sum of Rs.19,590-12-10 received by me from Messrs. Short Bewes & Co., in the above matter together with a copy of their letter dated the 27th January 1932.

2. I suggest that the amount of the above cheque be appropriated towards the total amount due by Muthiala Ramanna and further steps against the other mortgaged properties taken for realisation of the balance.

Copy of letter dated 27th January 1932 from Short Bewes & Co., Madras.

Re: C.S.No.219 of 1930-High Court, Madras. Muthiala Ramanna vs. The New India Assurance Co,Ltd,

We are in receipt of your letter No.158 dated 21st instant. Though the decree was passed in October 1931, the decree was not drawn up till December 1931 and we received a certified copy of the decree only the 16th instant. On a perusal of

basis that the whole of the amount awarded to the plaintiff was with the consent of the parties, whether (while) as a matter of fact, it was not so. The amount of Rs.3174-5-4 which was awarded to the plaintiff as interest in lieu of damages for not paying the amount on plaintiff's demand wa not with the consent of the defendant. We are therefore applying to Court for the amendment of the decree.

Our Clients have also instructed us to appeal again that portion of the decree which awards the said amount of interest and we are filing the appeal.

A

These circumstances account for the delay in sending the amount to you. Our Clients have no objection to paying you the amount of the decree minus the said sum of Rs.3174-5-4 which is the subject matter of the appeal and another sum of 137-2-0 mentioned below.

They have therefore sent us a cheque in your favour for Rs.19,590-12-10; we send this cheque herewith. Plea acknowledge receipt in duplicate and enter up satisfaction of the decree.

We also return herewith the certified copy of the decree forwarded by you for our perusal.

P.S. Our Clients' figure was arrived at as follows:

Amount of decree	Rs.22,902- 4- 2
Less interest	3,174- 5- 4
	19,727-14-10
Less additional premium claimed by our clients for difference in the construction of the building	137- 2- 0
	19,590-12-10

B

Since paid
vide p. 276 infra

Dev. Dept.

O.M. No. 3286-11) 28-29 dt. 26.2.32

Letter from the D.O. No. 57-A/3 dt. 16.2.32. – Bellary Match Factory – Recovery of Loan

In his letter to the D.O. No. 3010 dt. 28.10.31, the Govt. Solicitor, Madras reported that a decree for Rs 20,477-6-3 was passed in favour of the plaintiff – that the above sum was to carry interest at 6% per annum from the date of the suit and that the defendants were allowed to retain out of the above about Rs 750/- due to them in respect of the costs of first arbitration proceedings. According to this decree the amount due from the insurance company is Rs 23,403-6-3

P.P. 2

P.P. 26.2.32

1/7/

Cal. P. 2

C.D.B. A. Dept.
K.
26.2.32

Reminded at

Reminded
12.5.32

A at P. 234 C

Decree amount Rs 20,477-10-6

Interest thereon 3675-11-9

Total Rs 24,153-6-3

Amount taken by the Co. 750-00

Net amount due Rs 23,403-6-3

It is not known how the Company arrived at the figure Rs 19,590-12-10. The W.O. is requested to explain the position.

2) The W.O. is also requested to ~~report~~ ascertain and report what instructions the High Courts decree has been reported to the Messrs Shoot Bewes & Co's letters. Whether the decree is likely to be amended as a result of the appeal contemplated by the Company, and whether the action of the Company in having deducted Rs 137-2-0 from the decree amount is legal. Copies of the judgment and decree may be submitted to me.

The amount of decree now reported is only Rs 22902-6-3. The details for the amount may be seen ~~and it should be stated by the original~~ ~~in the report/letter~~

and a clear statement of ~~the~~ ~~outs~~ outstandings as on 1. ~~[illegible]~~ Subsidiary after to credit for the ~~[illegible]~~ amount of ~~for~~ Rs 19,590-12-10 re Messrs Shoot Bewes &c

B at p. 265 ff

H at p 266 ff

C at p. 266 ff

TO The W.O.

Development Department.

Memorandum No. 3286 II / 28-29, dated 26th February 1932.

Letter from the Director of Industries, No. 57-A/32, dated 16th February 1932 - Bellary Match factory- Recovery of Loan.

*****

In his letter to the Director of Industries, No. 3010 dated 28th October 1931, the Government Solicitor, Madras reported that a decree for Rs 20,477-6-3 was passed in favour of the plantiff, that the above sum was to carry interest at 6 per cent per annum from the date of the fire and that the dependants were allowed to retain out of the above about Rs 750/- due to them in respect of the costs of the first arbitration proceedings. According to this decree, the amount due from the insurance company is Rs 23,403 -6-3 as detailed below : -

Decree amount	Rs 20477-10-6
Interest thereo (till 31-10-31)	3675-11-9
Total	Rs 24153- 6-3
Amount to be retained by the Company.	750- 0-0
Net amount due	Rs 23403- 6-3

The amount of decree now reported is only Rs 22902-4-2. The details for this amount may be reported and a clear statement of the outstandings due to Government as on 1st March 1932 submitted after taking credit for the amount of Rs 19590-12-0 received from Messrs Short Bewes & Co. Copies of the judgment and decree may be sub - mitted for perusal.

S.H. Slater
Secretary to Government

To the Director of Industries.

Forwarded
(By order)
O/C.
Superintendent.

66-32 4

C.F. 30.

DEPARTMENT.

Received ..... 19 *Registered* 19

Subject.

Bellary Match Factory - Recovery of loan.

ENCLOSURES.
No. .....
Spare copies .....

57-A/32

Station Madras, *Dated the* ~~24th May~~ 4th June 1932.

From (Name) V. Ramakrishna Esq., I.C.S.,
Designation) Director of Industries,

To The Secretary to the Government of Madras,
Development Department.
P 269 DP

Sir, Reference:- Government Memorandum No.3286-II/28-29 dated 26th February 1932.

I have since received from the Government Solicitor a copy of the order of His Lordship Mr. Justice Stone dated 28th October 1931 and enclose a copy of the same. It will be seen therefrom that the plaintiff Muthyala Ramanna is to receive from the Insurance Co., a sum of Rs.22,902-4-2 only, with interest thereon at 6 per cent per annum from the 28th October 1931 to date of payment. In pursuance of this order, a cheque for Rs.19,590-12-10 was received by the Government Solicitor from Messrs. Short Bewes & Co., on Co., with their letter dated 27th

pp. 273-275 infra

page 274 infra

January 1932 and transmitted by him to me with his letter dated 29th January 1932 and credited into the Bank by the Accountant General on 24/25th February 1932 Subsequently on 21st March 1932, Messrs. Short Bewess & Co., forwarded to the Government Solicitor another cheque for Rs.137-2-0 - vide accompanying copy of Government Solicitor's letter dated 24th March 1932 and its enclosures - being the amount withheld by the Insurance Co., as additional premium claimed by them for difference in the construction of the building. This cheque was in due course received by me and has been credited into the Bank. The accompanying statements show (1) the outstandings from the Insurance Co., according to the decree and (2) the outstandings from Ramanna out of the loan of Rs.20,000/-.

A at p. 27

p 275

p 277 infra

2. I invite in this connection attention to the letter of the Government Solicitor dated 24th March 1932 referred to above and request to be informed whether the balance of the money due under the decree may be asked to be paid to us since, if it is paid into the Court, it will not carry interest from the date on which it is paid. The amount will have, if the Insurance Co., are successful in their appeal, to be refunded to them and, as stated by the Government Solicitor, they may require an undertaking from Government to that effect before paying it to us.

L at p. 27

3. As regards the amount that may have still to be recovered from Ramanna, the position is this. Under the Court order, there is still due to us from the Insurance Co., a sum of Rs.3,549-14-0 with interest thereon at 6% from 22nd March 1932 to date of receipt. If however, the Insurance Company's appeal is upheld by the Court, we may out of the amount be entitled to a sum amounting to about Rs.300/- being interest on the amount at the decree rate.

M at p. 277

of the amounts already received by us. The balance due still out of the loan, amounts as shown in Statement II, to Rs.4,689-9-3 with interest thereon at 10% from 22nd March 1932 i.e., if the Insurance Company's appeal fails, we will still have to collect from Ramanna about Rs.1,140/- more, and even if it is possible, as stated by the Government Solicitor - vide my letter No.115-A/31 dated 17th October 1931 - to collect a sum of Rs.400/- from Messrs. Zackria Sait & Sons, there will still be a balance of Rs.740/- besides the amount of costs to be paid as fees to the Government Pleader.

4. I am asking the Government Solicitor whether the appeal is likely to take a long time and whether we can delay proceedings regarding recovery of the balance of the loan till it is decided.

5. I request early orders particularly as to whether I can take action against the auctioneers as suggested in my letter of the 17th October 1931.

for Director of Industries.

IN THE HIGH COURT OF JUDICATURE AT MADRAS

ORDINARY ORIGINAL CIVIL JURISDICTION.

Wednesday, the 28th day of October 1931.

The Honourable Mr. Justice S T O N E

George V, by the Grace of God, of the United Kingdom of Great Britain and Ireland, and of all the British Dominions beyond the Seas, King, Defender of the Faith, Emperor of India.

C.S.No. 219 of 1930.

Between:

Muthiala Ramanna, a merchant, residing at Bellary) Plaintiff

And.

The New India Assurance Co., Ltd., Incorporated in India, having its head office in Bombay, and carrying on Business, in Fire, Marine, and Accident Insurance at Nos. 4 and 5 First Line Beach Madras.) Defendants.

Claim under a Fire Insurance Policy No.46291 issued by the defendants' Company in respect of the plaintiff's Match Factory at Bellary, styled Muthyala Seenappa Ramanna Match Factory for Rs.28,125-5-8 being the amount of damages alleged to have been caused to the machinery, buildings, and stock-in-trade of the said match factory, due to the said factory catching fire on the 5th November 1928; for a declaration that the award passed on the 27th November 1928, under clause 18 of the said policy is void and not binding on the plaintiff; for Rs.9,000/- as and for compensation for loss of profit till date of plaint and further compensation from date of plaint till the date of payment of the said damages at the rate of Rs.2671-14-0 per mensem or in the alternative for Rs.3662-6-3 being the amount of interest on the sum of Rs.28,125-9-8 fro the 5th January 1929 to date of plaint at 12 per cent pe annum and further interest at the same rate; for costs; and for consequential reliefs.

This suit on the award of the arbitrator appointed coming on this day before this Court for final

disposal in the presence of Messrs. B. Somayya and Kathuri Seshagiri Rao. advocates for the plaintiff, and of Messrs K. Narasimha Iyer and V. Rajagopala Mudaliar advocates instructed by Messrs Short Bewes & Co., attorneys for the defendants. and upon reading the order made herein and dated the 30th October 1930, the award of Mr. K.S. Setty the arbitrator appointed herein, filed herein on the 13th July 1931, the order made herein and dated the 7th July 1931 and the report of the said arbitrator dated the 16th September 1931, IT IS BY CONSENT DECLARED ORDERED AND DECREED as follows:-

1. That there is due and payable by the defendants to the plaintiff the sum of Rupees twenty two thousand nine hundred and two, annas four and pies two (Rs.22902-4-2) as and for damages caused by fire to the machinery buildings and stock in trade of the plaintiff match factory at Bellary styled "Muthyala Seshappa Ramanna Match Factory" with interest thereon at six per cent per annum from this date till the date of payment;

2. That the defendants do, for and on behalf of the plaintiff, pay to the Government Solicitor, the said amount of Rupees Twenty two thousand nine hundred and two, annas four and pies 2 (Rs.22902-4-2) and interest thereon as declared in clause 1 supra and that the receipt by the Government Solicitor of the said sum of Rs.22902-4-2 and interest thereon shall be deemed to be receipt by the plaintiff for the purpose of satisfaction of this decree for the said amount against the defendants herein;

3. That the defendants do pay to the plaintiff the costs of this suit including his costs of appearance before the arbitrator appointed herein by this Court and inclusive of the remuneration of the said arbitrator as herein after directed, when taxed and noted in the margin hereof with interest thereon

. That the fees of Mr. K.S. Shetty, the arbitrator appointed herein, be and are hereby fixed at a sum of Rupees Two hundred and fifty (Rs.250) and that the plaintiff do in the first instance pay to the said arbitrator the said sum of Rs.250/- and do include the same in his costs of this suit if and when paid.

Witness the Honourable Sir Horace Owen Compton Beasely, Kt., Chief Justice at Madras aforesaid this 26th day of October 1931.

Sd) R. Satyamurthi Ayyar,

First Assistant Registrar,
-12-1931.

Certified to be a true copy,

Dated this 23rd day of December 1931.

Sd/

Bench Clerk, Original Side.

Copy of letter No.800 dated 24th March 1932 from the Government Solicitor, Madras.

--

C.S.No.219 of 1930. Muthiala Ramanna v The New India Assurance Co., Ltd.,

--

I have the honour to enclose herewith copy of a letter dated the 21st March 1932 received from Messrs. Short Bewes & Co., Attorneys for the defendant in the above matter and a cheque for the sum of Rs.137-2-0 adverted to therein.

2. With regard to the suggestion that the balance of the money due under the decree should be paid into Court, I have to point out that the sum so paid into Court will not carry interest from the date on which it is so paid.

3. If on the other hand we insist on payment to us Messrs. Short Bewes & Co., would probably require an Government to refund the amount in question

in the event of their clients being successful in the appeals that are now pending.

4. I shall therefore be glad to have further instructions in the matter.

Copy of letter dated 21st March 1932 from Messrs. Short Bewes & Co., to the Government Solicitor, Madras.

C. S. No.219 of 1930 - Muthiala Ramanna.

In continuation of our letter of the 14th instant we send herewith our cheque for Rs.137-2-0 without prejudice to our client's rights to file a suit in respect thereof against Muthiala Ramanna.

With reference to the balance payable under the decree, we the amount representing the interest. We beg to inform you that we have filed an appeal against the decree and also an interlocutory appeal against the order of dismissal of the petition for amendment of the decree. If you are agreeable to our clients doing so, we shall advise our clients to pay the amount into Court.

Statement. No. I

	Principal.	Interest.
Decree amount	22,902- 4- 2	
Interest from 28th October 1931 up to 27th January 1932 for 91 days		342- 9- 6
Receipt on 27th January 1932 Rs.19,590-12-10 and apportioned into	19,248- 3- 4	342- 9- 6
Balance due on that date	3654- 0-10	
Interest on this amount from 27th January 1932 up to 22nd March 1932		32-15- 2
Amount received on 22nd March 1932 Rs.137-2-0 and apportioned into	104- 2-10	32-15- 2
Balance outstanding on 22nd March 1932	3,549- 14- 0	

This is the balance of the decree amount and will carry interest at 6% from and inclusive of 22nd March 1932.

Statement No. II

State Aid - Bellary Match Factory.

Principal Rs.20,000 paid on 29th September 1927.

	Principal.	Interest simple.	Interest penal.
1. From 1-10-1928 to 17-9-1930 [penal interest on 1822-2-0 at 10% for 1 yr. 11 m. 16 days]	515	1307- 2-0	357- 5-5
2. From 1-10-28 to 4-5-1929 on Rs.19,485 at 6½% for 215 days.	19,485	746- 0-7	
3. From 4-5-1929 to 17-9-30 on Rs.20,231 at 10% 1 yr. 4 m. 13 days			2770- 8-4
Total due on 17-9-1930	20,000	2,053- 2-7	3127-13-9
4. Receipt of sale price of machinery on 17-9-1930			1500- 0-0
Balance due	20,000	2,053- 2-7	1627-13-

	Principal.	Interest Simple	Interest penal.
5. From 17-9-1930 to 30-9-1930 13 days.			
20,231- 0- 7 + 1,822- 2- 0			
22,053- 2- 7 at 10% for 13 days.	20,000	2,053- 2-7	79-10-3
Total due on 30-9-1930	20,000	2,053- 2-7	1707- 8-0
6. Receipt of sale price of machinery on 30-9-1930 (Rs.2265)		557- 8-0	1707- 8-0
Balance due on 30-9-1930	20,000	1,495-10-7	nil.
7. From 30-9-30 up to 27-1-1932 at 10% on Rs.21,495-10-7	20000-0-0	1,495-10-7	2850- 6-2 ~~1850- 6-2~~
8. Received on 27-1-1932 Rs.19,590-12-10 and ~~as~~ apportioned	15244-12- 1	1,495-10-7	2850- 6-2
9. Balance due on 27-1-1932	4755- 3-11		
10. Received by the Government Solicitor on 22-3-1932 - Rs,137-2-0 and apportioned .	65-10- 8		71-7-4
11. Balance on 22-3-1932.	4689- 9- 3		

3127.12
79.10
2850.
71.
6129.
1

16/27/7

Development department.

O.M.No. 3286 II/28-30, dated 27-7-32

Letter from the D.I., No. 57-A/32, dated 4th June 1932 - Bellary Match factory - Recovery of loan.

The Director of Industries is requested to instruct the Government Solicitor to take over from Messrs. Short Bewes and Co. the balance of the money due under the decree which they propose to pay in Court and to give an undertaking on behalf of Government that the amount will be refunded to them in case they succeed in their appeal. The Director is also requeste to take such steps as the Government 'Solicitor may advise to recover from Messrs. Zacharia Sait and Sons of Bellary the sum of Rs. 400 retained by them in excess.

2. The Director is also reques-ted to ascertain and report whether any one is likely to purchase the l

Reminded 1-12-32

B

and buildings mortgaged to Government by Ramanna and which could not be sold along with the machinery owing to the Court's injunction order.

3. The Director is informed that the question of the recovery of the cost incurred by Government in defending the suit filed against Ramanna by his minor sons need not be pursued.

RR
27.7.32

To the D.I.

Dept. Date 28/7 192

7-9-32

TWELVE ANNAS

To

The Hon'ble the Minister in charge of
Department of Industries,
Government of Madras,
Fort.St.George, Madras.

The humble petition of
Muthyala Ramanna, the proprietor
of the Match Factory, Bellary,

Respectfully showeth as follows:--

what has happened to this petn? I sent it to the office for examination but have not seen it again after examination Sd/ 3/9.

1. The petitioner presented a petition for your Honour 's kind consideration in or about the month of October 1931, for remitting interest that has accrued on the loan of Rs. 20,000/- granted by the Government, to the petitioner about the end of September 1927, under the provisions of the Madras State Aid to Industries Act, to enable the --- petitioner to provide the Working Capital for his factory. The petitioner has set out therein the circumstances which has rendered him incapable of paying the amount in full including the interest.

2. The petitioner begs to state that a sum of nearly Rs, 24,000/- has been already realized by the Government towards the loan, Rs. 4,000/- by way of interest, Rs. 4,000/- being the net sale proceeds of the sale of machinery and about Rs. 20,000/- and odd being t-he amount decreed by the High Court in - terms of the Award, which the petitioner allowed the Solicitors for th-e Government to draw, subject to the orders of the Government on his humble petition and only about Rs. 4,000/- is due to the Government

by way of interest. The humble submission of this petitioner is that this is a fit case for the benign Government for showing mercy upo this unfortunate petitioner who has been reduced to state of misery and starvation. Under the circumstances set out in the petition, by remitting the interest or at least uncollected portion.

A.

A at p. 219 supra

3. The petitioner has already stated that he had to spend nearly Rs. 10000/- by raising loans from friends, for the various legal proceedings in respect of the claim under the fire policy taken with the New India Assurance Company and the creditors are pressing for the payment thereof. Further the New India Assurance Company has filed two appeals and the petitioner has got notices in the appeals. Steps have to be taken to defend these appeals. The petitioner is pennyless and is unable to take proper steps to defend these appeals which involve nearly Rs. 4,000/-

4. The petitioner requests that the Hon'ble Minister may be pleased to take pity upon the -- petitioner, having regard to the peculiar circumstances of the case and his helpless and to pass orders as prayed for, as expeditiously as possible.

A at p. 213 supra.

Dated at Madras this 2nd Day of Septr. 1932.

Petitioner.

Muthyal Ramanna

To

The Hon'ble The Minister
in Charge of Industries.

Petition by the Muthyala Ramanna.

F. 98—2,39,993—10-10-28.

Development DEPARTMENT, Industries Branch.

REMINDER. REPLY.

To THE Director of Industries.

To THE Assistant Secretary to Government, Development Department.

The undersigned ~~has the honour to invite~~ is directed to invite ~~invites~~ attention to the communication noted in the margin and to request that this reminder may be returned at once with information as to—

(1) the stage at which the matter now is,

(2) the date by which a reply may be expected, ~~and~~

~~(3) the circumstances which have caused the delay.~~.

2. It is requested that the reply to this reminder may be sent not later than 8.9.32.

Office of the Dev. Secy.

Station Fort St. George.

Dated 27.8.32

Signature. For Asst. Secy

Designation.

SUBJECT.

State Aid - Bellary Match Factory - Recovery.

OM No. 3286-11/28 Dated 27-7-32

ASSISTANT SECRETARY TO GOVERNMENT 8-SEP 1932 DEPARTMENT

The Collector of Bellary has been addressed in the matter.

for Director of Industries.

C. F. 98—2,39,993 10-10-28.

Development DEPARTMENT.

REMINDER. Industries Branch. REPLY

2137 A/32
10.9.32

Director of Industries.

To the Asst Secretary 15 SEP 1932
Dev. Dept

The undersigned ~~has the honour to invite~~ is directed to invite ~~invites~~

on to the communication noted in the margin and to request that reminder may be returned at once with ation as to—

(1) the stage at which the matter now is,

(2) the date by which a reply may be xpected, ~~and~~

~~(3) the circumstances which have caused the delay.~~

is requested that the reply to this er may be sent not later than 20.9.32.

Jai Ramanath Ur.
of the Dev. Secy.

Signature.

Asst Sec. for Asst Secy
Designation.

13.9.32

SUBJECT.

Match factory
of the loan

The Collector of Bellary who has been addressed on the subject
is being reminded

Dev. Dept
24.9.32

Dev 3068 II
10.10.32

C.F. 30.

ASSISTANT SECRETARY TO GOVERNMENT
8-OCT 1932
DEVELOPMENT DEPARTMENT

INDUSTRIES DEPARTMENT.

Received ..... 19 . *Registered* 19

Subject.

Bellary Match Factory - recovery of excess commission charges from Zackria Sait & Son

ENCLOSURES.
No. One draft notice.
Spare copies.....

No.57-A/32.

Station Madras., *Dated the* 6th October, 1932.

From (Name) V.Ramakrishna Esq., M.A., B.Sc.(Edin)., I.C.S.,
(Designation) Director of Industries.

To The Secretary to the Government of Madras,
Development *Department.*

Sir,

pp. 279 & 280 supra.

Reference:--Development Department Memorandum No.3286-II/28-30 dated 27th July 1932.

The Government Solicitor is of opinion that legal notice to Messrs.Zackria Sait and Sons, demanding the payment of the sum of Rs.400/- unlawfully retained by them will have the desired effect. He has, therefore, furnished me with a draft of the notice, a copy of which I enclose. It may be signed by the Secretary to Government Development Department and returned to me, so that I may forward it to the firm by registered post. In

P. 288 infra

A In view of the fact that the firm is long evading payment, I consider 15 days notice will be sufficient.

2. In the event of the firm not returning the amount within the time fixed, I propose, as advised by the Government Solicitor, to instruct the Government Pleader, Bellary, to take the necessary steps for the recovery of the amount.

for Director of Industries.

C.D.B.7-10

7.10

To

Messrs Zackria Sait and Sons,

Auctioneers, 144 Fort, Bellary.

WHEREAS you were appointed auctioneers to sell by public auction certain machinery and other immoveable property belonging to one Muthiala Ramanna of the Bellary Match Factory at Bellary AND WHEREAS it was agreed at the time of such appointment that you should be paid a remuneration of three per cent on the sale proceeds of such machinery and property or if for any reason the said machinery and property were not sold a consolidated sum of Rs.200/- AND WHEREAS the machinery belonging to the abovesaid factory was sold for Rs.4,500/- AND WHEREAS the sale of the land and buildings belonging to such factory was stopped by an order issued out of the District Munsif Court at Bellary AND WHEREAS you are therefore entitled to and have been allowed as commission the sum of Rs.335/- being Rs.135/- in respect of the sale of the machinery and Rs.200/- the agreed amount in respect of the infructuous attempt to sell the said immoveable property AND WHEREAS in spite of the abovesaid facts you have unlawfully and without just cause retained in your hands a further sum of Rs.400/- and have failed and neglected to pay the same to the Director of Industries.

Now therefore take notice that if you do not within fifteen days from the date of your receipt of this notice remit the said sum of Rs.400/- to the Director of Industries direct or into the local treasury legal proceedings will be initiated against you for the recovery of the said amount together with interest on the same at twelve per cent per annum without any further notice to you.

Dated at Madras this 26th day of October 1932.

S.H.Salter,
Secretary to the Govt.of Madras
Development Department.

ASSISTANT SECRETARY TO GOVERNMENT
18 NOV 1932
DEVELOPMENT DEPARTMENT

C.F. 30.

DEPARTMENT.

Received ..... 19 . *Registered* ..... 19 .

Subject.

Bellary Match Factory.

ENCLOSURES.
1 copy of letter
..... copies

No. 57-A/32.

Station Madras, *Dated the* 15th November 1932

From (Name) V. Ramakrishna Esq., I.C.S.,
(Designation) Director of Industries,

To The Secretary to the Government of Madras,
Development Department.

Sir,

Ref: Government Memorandum No.3286/28-30 dated 27th July 1932

I addressed the Government Solicitor in terms of the 1st para of the above quoted memorandum and enclose a copy of his reply dated 3rd November 1932. The Government Solicitor has subsequently explained that ordinarily no expense will be incurred by the Insurance Co., in obtaining the refund of the amount from Government but they wish to provide for extraordinary circumstances such as the Government Solicitor or the Government

out proceedings for restitution. Such a contingency is not likely to arise and I see therefore no objection to the necessary undertaking being given by the Government Solicitor. I request that orders may issue accordingly, a copy of the same being communicated to the Government Solicitor for necessary action to save further delay.

for Director of Industries.

G.M.16/11.

Copy of letter No.2623 dated 3rd November 1932 from the Government Solicitor, Madras to the Director of Industries, Madras.

Bellary Match Factory.

I have the honour to forward herewith copy of a letter dated 10th October 1932 received by me from Messrs:Short Bewes and Co,.

2. As Government Memorandum No.3286-II/28-36 dated 27th July 1932 does not relate to the undertaking to make good all additional expenses (if any) which the Company may incur in obtaining the refund of the amount from Government I request you to be good enough to place the matter before Government and obtain instructions regarding such portion of the undertaking.

(copy)

SHORT BEWES & CO.

Solicitors, Notaries and Advocates,
and Commissioners for Oaths.

College Buildings,
Esplanade, Madras.
10-10-1932.

Arthur Thomas Esq.,
Government Solicitor, Madras.

Dear Sir,

Re:C.S.No.219 of 1930,
Muthiala Ramanna - vs - The New India Assurance Co., Ltd.

With reference to your letter of the 3rd instant our clients say that they have no objection to pay the amount to Government on your giving an undertaking to our clients on its behalf to refund the amount of our clients winning in the appeal and to pay and make good all additional expenses if any, our clients may have to incur in obtaining the refund from Government in consequence of adopting the course suggested by you.

Sd. Short Bewes & Co.

Dev. Dept.

O.M. No. 3286-II/28-32 Dt. 26.11.32.

Letters from the W.D. No. 57-A/32 Dt. 6.10.32 and 15.11.32 — State Aid — Bellary Match Factory Recovery of dues.

P. 288. ef

The copy of the notice received with the W.D's letter Dt. 6.10.32 is ~~herewith~~ returned duly signed by the Secy.

PP. 286 & 287. ef

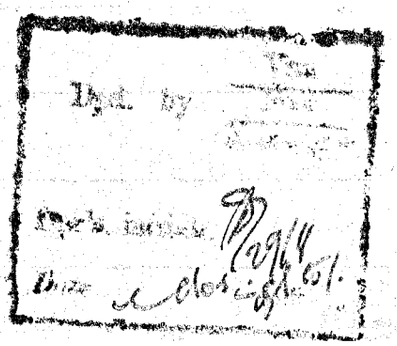
2) ~~As regards the additional undertaking demanded by the Messrs Short Bowes & Co, the W.D. is informed that~~ The Govt have no objection to the Govt Solicitor undertaking on behalf of Govt to make good all additional expenses, if any, the Insurance Company may incur in retaining the refund of the amount

R. 4 & 5 on P. 291 ef

company succeeds in its appeal.

25.11.32

To the D.O (with the notice
To the Govt Solicitor (~~Extr~~
of para 2 only)



93—16-9-2.

Development DEPARTMENT

Industries Branch

REMINDER.

REPLY.

To THE Director of Industries

To THE Assistant Secretary to Government, Development Department

PP 2794 280-CF

The undersigned ~~has the honour to invite~~ is directed to invite ~~invites~~ attention to the communication noted in the margin and to request that this reminder may be returned at once with information as to—

(1) the stage at which the matter now is,

(2) the date by which a reply may be expected, ~~and~~

~~(3) the circumstances which have caused the delay.~~

2. It is requested that the reply to this reminder may be sent not later than 10.12.32

No. 3286-II/28-30 dated 27-7-32

Office of the Secy

Station Fort St. George

Dated 1-12-32

1-XII-32

Signature. Asst. Secy

Designation.

SUBJECT.

State vid Bellary Mach Factory — recovery of loan

Further Report.

SECRETARY TO GOVERNMENT DEVELOPMENT DEPARTMENT 9 - DEC 1932

2 NOV 1932

The Government Solicitor is taking steps to take over the balance of the money due under the decree - vide Government Memorandum No. 3286-II/28-32 dated 26th November 1932, paragraph 2.— PP 2929 293-CF

A notice has recently been issued to Messrs: Zackria Saib and Sons and I shall take such further action as may be necessary.

As regards paragraph 2, I have accressed the Collector of Bellary in the matter and have had no reply so far in spite of a reminder. I am reminding him again.

for Director of Industries

P.T.

JO AS.

295

The ~~W-is~~ reply may be awaited till 4.1.1933.

ler
0.12.32

1312

Received
16.1.33

Acknowledged
20.1.33

TELEGRAPHIC ADDRESS: "ZACKRIASAIT"

296 Des. 4026 II 20-12-32

ZACKRIA SAIT & SONS

GENERAL MERCHANTS, COMMISSION AGENTS, CONTRACTORS, GOVT. & PUBLIC AUCTIONEERS AND LAND-LORDS

ASSISTANT SECRETARY TO GOVERNMENT 20 DEC 1932 DEVELOPMENT DEPARTMENT

No. .....

144, FORT

Bellary, 15th.December 1932.

The Secretary,

The Government Of Madras, (Developement Department)

M A D R A S.

SIR,

P. 288 Supra

We are extremely surprised to see your notice dated the 26th. October 1932, received by us on the 5th.instant, demanding payment of Rs.400/- said to be unlawfully retained by us.

In this connection we beg to submit that we have charged commission on the actual amount which we were sure of realising for the property, as we had advertised the sale very widely, and we had purchasers ready for the property.

We respectfully beg to submit that the commission charged is not excessive and is quite fair and reasonable, in view of the considerable expense incurred and the amount of trouble taken by us.

When we submitted our bill The Director Of Industries, Madras, suggested that we should revise our bill according to the Revenue Accounts and accordingly asked us to remit Rs.219/-, after allowing commission as per the revenue valuations vide his No.115/A/30 of 11-12-30.

P. 227 Supra

We then submitted to him our appeal for re-consideration as the revenue valuation was far below the actual market value then prevaling. We now cannot comprehend how a demand for Rs.400/- is made, when the Director of Industries, Madras, has already offered Rs.516/-.

Sup 4.31 Supra

P. 227 Supra

We therefore respectfully beg to submit to you to kindly re-consider the matter, in view of the heavy expenses incurred and trouble taken by us

and claim no refund of Rs.219/- from us, as otherwise we will be put to heavy loss.

Thanking you in anticipation of your favourable consideration, and awaiting the favour of your reply.

We beg to remain,

Sir,

Your Most Obedient servants,

Zackria Sait & Sons

298

Revd. Dept.

10.1.

C. No. 4026-II/32

PP 296 & 297.

Petition from Messrs. Zacharia Sait and Sons, Bellary dt. 15-12-32 — Re Bellary Match Factory - Recovery of Excess Commission

B. Prison (2) 9.1.33

2/10/1

Endt. No. 3286-II/28-33 dt. 8.1.33

Messrs Zachria Sait and Sons are informed that the Govt. are unable to reconsider the orders already passed

P 288 CF

22.12.32.

To
Messrs Zachria Sait & Sons
Bellary
Copy to the D.O. (with a copy of the petition).

Revd. 11/1

Sent to 2

C. F. 98—10-9-28.

Development DEPARTMENT.

Industries Branch.

5/A/32

291. A/33

2/2

REMINDER.

REPLY.

To THE Director of Industries

To THE Assistant Secretary, Development Department.

Pp 279 + 280 Sa

The undersigned ~~has the honour to invite~~ is directed to invite ~~invite~~ attention to the communication noted in the margin and to request that this reminder may be returned at once with information as to—

(1) the stage at which the matter is,

(2) the date by which a reply may be expected ~~and~~

~~(3) the circumstances which have caused the delay.~~

2. It is requested that the reply to this reminder may be sent not later than 10.2.33

No. 32 Ro-II/28-30 dated 27-2-32 No. 5) A/32 A 8-33

SECRETARY TO GOVERNMENT 14 FEB 1933 DEVELOPMENT DEPARTMENT

Office Office of the Dev Secy. V. S. Mahadevan

Station Fort St. George

Signature for Asst. Secy.

Dated 30-1-33

Designation.

SUBJECT — Bellary Match Factory Recovery of loan — Further report

I understand from the Government Solicitor that Messrs: Short Bewes and Co., have not yet paid the amount and that he has sent them an urgent remin

A representation was recently raised from the auctioneers undertaki to remit Rs.219/- as originally deman but I have asked them to remit Rs.400/- at once. I have also addres the Collector to place the matter in the hands of the Government Pleader Bellary for necessary action. The Collector has not sent me a satisfactory reply and I have already reminde him in the matter.

for Director of Industries.

To A.S.

Next E.R. may issue on 1.3.33.

14.2.33 15.2

16.2

Dev. 908-II
20-3-33

C.F. 30.

ASSISTANT SECRETARY TO GOVERNMENT
19 MAR 1933
DEVELOPMENT DEPARTMENT

INDUSTRIES **DEPARTMENT.**

Received ..... 19 . *Registered* 19

Subject.

Bellary Match Factory - auctioneers Zackria Sait & Sons - Recovery of excess commission appropriated.

No. .....

Spare copies .....

No. 595-A/33.

Station Madras. , *Dated the* 17th March, 1933.

From (Name) V. Ramakrishna, Esq., M.A., I.C.S.,

(Designation) Director of Industries.

To The Secretary to the Government of Madras,

Development Department.

Sir,

P. 248 Dev pra

Reference:--Correspondence ending with Government Endorsement No.3286-II/28-33 dated 8th January 1933.

I have received to-day from Messrs. Zackria Sai and Sons a cheque for Rs.219/-. In their covering letter-copy enclosed, they state that Government's claim for Rs.400/- is unsustainable and that if we "insist for the balance and rush to court," they will hold us responsible for all costs that they may be put to.

Rs 181

...dy, the Government

but it is perhaps doubtful whether it would be advisable to take further steps towards collection of the balance, in view of the fact that if the auctioneers had taken Mr. Appadurai Pillai, late Director, at his word and remitted the amount of Rs.219/- then asked for, we could not have had any claim for the balance.

K. on p. 227 supra

If Government agree with this view, I shall ask the Collector to instruct the Government Pleader not to proceed with the suit.

for Director of Industries.

17-3.

CDB.17-3

Copy of letter dated 6th March 1933 from Messrs. Zackria Sait & Sons, 144, Fort, Bellary, to the Director of Industries, Madras.

In reply to your letter No.57-A/32 we write to inform you that your claim for Rs.400/- is unsustainable.

As per your previous No.115-A/30 of 11th December 1930 we beg to hand you herewith a cheque for Rs.219/- on the Imperial Bank of India, Bellary, which settles your claim in full, the receipt of which kindly acknowledge.

K. on p. 227 supra

If inspite of this you insist for the balance and rush to court we shall hold you responsible for all costs that we may be put to.

302 M/33 794-A-33
20-3-33

Development DEPARTMENT
Industries Branch.

O. F. 98—10-9-23.

REMINDER.

To The Director of Industries

~~has the honour to invite~~
The undersigned is directed to invite ~~invites~~ attention to the communication noted in the margin and to request that this reminder may be returned at once if the matter is not now is, information as to-

(1) the stage at which the matter now is,

(2) the date by which a reply may be expected ~~and~~

~~(3) the circumstances which have caused the delay.~~

It is requested that the reply to this reminder may be sent not later than 25.3.33

No. 3286-II/28-30 dated 27-7-32 & P/M No. 57 A/32 dated 9.2.33.

Office The Hon Secy

Station Fort St George

Dated 16-3-33

Designation Asst. Secy

SUBJECT: Bellary Match Factory State aid Recovery of loan Further report

REPLY.

To The Assistant Secretary, Development Department.

The Insurance Company have paid through the Government Solicitor an amount of Rs.3,747-11-3 and this has been credited to Government. I have asked the Government Solicitor to let me know when the appeal of the Insurance Company is likely to be disposed of pending which, necessary steps for the recovery of the balance of the loan from Muthyala Ramanna is stayed and I am awaiting his reply.

Messrs. Zackria Sait & Sons have paid a sum of Rs.219/- and this has been credited to Government. The circumstances of the case has been referred to Government in my letter No.595-A/33 dated 9th March 1933 and I am waiting for instructions from Government.

As regards paragraph 2 of Government Memorandum under reference, I am still awaiting a reply from the Collector.

for Director of Industries

CDE.23-3

ASSISTANT SECRETARY TO GOVERNOR
24 MAR 1933
DEV. DEPT.

10 Sun

303

The Press further report may be awaited till 20-4-33.

Ken 24.3.33 M. 24/3

[illegible]
20.4.33

Nemmadi
5.5.33

[illegible]
20.5.33

Dev. Dept.

O.M. No. 3286-II/28-35 Dt. 7-4

State Aid - Bellary Mate
factory - Auctioneers
Zaekria Sait and Son
Recovery of Excess Comm
sion -
Letter from the W.D. No
595-A/33 Dt. 17-3-33.

PP. 300 & 301 o F

The W.D. is informed that, in the circumstances reported by him the suit against Messrs Zaekria Sait and Sons, for the recovery of the balance of Rs. need not be proceeded with.

ker 7.4.33 kon 7.4.33

Sd 7/4

To the W.D.

Desp 14/4

Reminder No I 307 Dev 1592/11/33

The humble petitioner, Muthyala Ramanna, the proprietor Cotapalli Tea factory, Kumaramu, 17.5.33.

Respected Sir,

My humble application dated 2nd September 1932. No reply has yet been received by me. I therefore beg to request that the honable Minister may kindly take pity upon the petitioner, having regard to the peculiar circumstances of the case and the helpless & to pass orders as prayed for expeditiously as possible. Awaiting anxiously for early orders which may kindly be solicited—

Muthyal Ramanna
Petitioner.

305

INDIA POST CARD

WRITING SPACE REPLY ADDRESS ONLY

INDIA POST NINE PIE

To the Hon'ble the Minister
Colonel Strachan
Palace
Calcutta
19/13/5/33

Chief of the Department
of his
Government of Madras
St. George
Madras

CONSULTANT SECRETARY TO GOVERNMENT
23 MAY 1933
DEVELOPMENT DEPARTMENT

Rev. Dept.

C. No. 1592-II/33

Post card ~~[illegible]~~
from ~~[illegible]~~
Muthyala Seenappa
Ramanna
Dt. 17.5.33 — Bellary
Malek Factory —
Recovery of loan —

2/7b.

Endt. No. 3286-II/28-36-Dt. 6.6.

The petitioner is informed that orders on his petition Dt. 1.9.1932. will issue after the result of the appeal preferred by the Insurance Company in respect of the sum ~~of Rs.~~ paid by them under protest is known.

ER 30.5.33 bm 31.5.33 RS 1.6.33 S. 2/6

To the petitioner
Muthyala Ramanna
proprietor
Bellary Malek
Factory
-Bellary

Copy to the R.D.

Dev. No. 1701-4/33
15.6.33

To.

SB

ASSISTANT SECRETARY
9 - JUN 1933
DEVELOPMENT DEPARTMENT

The Hon'ble the ~~Chief~~ Minister in charge of Department of Industries, Govt. of Madras.
~~Fort St. George~~ Madras

Sub:— The humble petition of Muthyala Ramanna, the proprietor, Lake Match Factory - Bellary.

Respected Sir,

814282 Mrs.

My humble application dated 2nd Sept. 1932. + remainders thereon are dated 17.5.33. I regret very much that no reply has yet been received for all my letters & reminders. I therefore humbly beg to request that the Honible Minister will be pleased to take pity on the petitioner, having regard to the peculiar circumstances of the case and his helpless to pass orders as prayed for expeditiously as possible.

Awaiting very anxiously for early and favourable orders.

For which act of kindness & generosity I shall as in duty bound shall ever pray for your honour's longlife & prosperity.

Bellary.
dated 3. June 1933

Humble Petitioner

308

Dev. No. 1804-11/33
22.6.33

Dev

C.No.9M/33

Muthyala Ramanna,
Match Factory, Bellary
Dated 14-6-1933

P. 306 infra

With reference to your endorsement No.3286/11/28-36 dated 7th June 1933 I am informed that orders on my -- petition dated 1st September 1932 will issue after the result of the appeal preferred by the Insurance Company in ~~respect~~ respect of the sum paid by them under the protest is known. Now I herewith submit the true -- copy of the statement of amount and also enclose herein the true copies of the decree O.S.No.25 of 1932 and order O.S.A.No.26 of 1932 settled in my favour ~~are~~ dated 1-3-1933 as the enclosed letter received from the Acting Government Solicitor Madras showing that no dues from the company to the Government Solicitor is left uncollected.

P. 309 infra

P. 310-313 infra

Muthyal Ramanna
Petitioner.

To

The Hon'ble The Minister in charge of Departments of Industries, Government of Madras.

Copy to the Director of Industries Madras for favour of very early reply as no reply has yet been received in spite of my several reminders dated 15-4-33, 12-5-33 and 3-6-33.

True copy of the letter No.977 dated 19th April 1933 from H.M. Small Esq., M.A., L.L.B. Acting Government Solicitor, Madras to Muthyala Ramanna Esq., Match Factory, Bellary.

C.S.No.219 of 1930

I am in receipt of your letter dated the 14th April 1933 and enclose herewith a statement showing the amounts received by me from the New India Assurance Company Ltd., in the above matter.

I have, etc.,

Sd/- H.M. Small
Ag. Government Solicitor

Statement of a/c referred to above

	Principal	Interest.
Decree amount	Rs. 22,902-4-2	
Interest from 28-10-31 upto 27-1-32 for 91 days		42-9-6
Receipt on 27-1-32 Rs.19590-12-10 and apportioned into	19,248-3-4	342-9-6
Balance due on that date	3,654-0-10	
Interest on this amount from 27-1-32 up to 22-3-32		32-15-2
Amount received on 22-3-32 Rs.137-2-0 and apportioned into	104-2-10	32-15-2
Balance outstanding on 22-3-32	3,548-14-0	
Interest on this amount from 22-3-32 up to 23-2-33		197-13-3
Amount received on 24-2-33 Rs.3747-11-3 and apportioned into	3,549-14-0	197-13-3
Balance.	Nil	

In the High Court of Judicature at Madras

(Appellate Jurisdiction)

Wednesday, the first day of March,

One thousand nine hundred and thirty three.

Present:-

The Honourable Sir Horace Owen Compton Beasley, Kt.,

Chief Justice

and

The Honourable Mr. Justice B a r d s w e l l

Original Side Appeal No.25 of 1932

The New India Assurance Co., Ltd. .... Appellant

Muthiala Ramanna ... ... Respondent

On appeal from the decree and judgment of the Honourable Mr. Justice Stone dated the 28th day of October 1931 and passed in the exercise of the -- Ordinary Original Civil Jurisdiction of the High Court in O.S.No.219 of 1930.

Between:-

Muthiala Ramanna ... ... Plaintiff

and

The New India Assurance Co.. Ltd. ..... Defendant

This O.S. appeal coming on for hearing: upon reading the grounds of appeal, the judgment and decree of the Honourable Mr. Justice Stone dated the 28th day of October 1931 and passed in the exercise of the Ordinary Original Civil Jurisdiction of the High Court in O.S.No.219 of 1930 and the material papers in the suit and upon hearing Mr. K. Narasimha Aiyar Advocate instructed by Messrs. Short, Bewes & Co., attorneys for the appellant and Mr. Kasturi Seshagiri Rao, Advocate for the Respondent it is Ordered And Decreed as follows:-

Mr. Justice Stone dated the 28th day of October 1931 and passed in the exercise of the Ordinary Original Civil Jurisdiction of the High Court in C.S.No.219 of 1930 be, and hereby is, confirmed and this appeal dismissed; and

2) That the appellant do pay to the Respondent his costs of this appeal when taxed and noted in the margin hereof with interest thereon at the rate of 6 per cent per annum from the date of taxation to the date of payment.

Sd/- B.C. Sankaranarayana,
3-3-1933,
Asst. Registrar, Appellate Side

Certified to be a true copy,
Dated this 4th day of April 1933

Sd/- x x x x
Bench Clerk, O.S.

In the High Court of Judicature at Madra

Appellate Jurisdiction

Wednesday, the first day of March,
One thousand nine hundred and thirty three

Present:-

The Honourable Sir Horace Owen Compton Beasley, Kt.,
Chief Justice

and

The Honourable Mr. Justice B a r d s w e l l

Original Side Appeal No. 26 of 1932

The New India Assurance Co., Ltd. ... Appellant

Muthyala Ramanna ... ... Respondent

On Appeal from the order of the Honourable Mr. Justice Stone dated the 4th day of February 1932 and made in the exercise of the Ordinary Original Civil Jurisdiction of the High Court in Application No.309 of 1932 in C.S.No.219 of 1930.

Between:-

Muthiala Ramanna ... ... Plaintiff

a n d

The New India Assurance Co., Ltd. ... Defendant

This O.S. Appeal coming on for hearing upon reading the grounds of appeal, the order of the -- Honourable Mr. Justice Stone dated the 4th day of February 1932 and made in the exercise of the Ordinary Original Civil Jurisdiction of the High Court in -- Application No.309 of 1932 in C.S.No.219 of 1930 and the material papers in the suit and upon hearing Mr.K. Narasimha Aiyar advocate instructed by Messrs. Short Bewes and Co., attorneys for the appellant and Mr. Kasturi Seshagiri Rao, advocate for the Respondent, It is ORDERED as follows:-

1. That the order of the Honourable Mr. Justice Stone dated the 4th day of February 1932 and made in

of the High Court in Application No.309 of 1932 in C.S.No.219 of 1930 be, and hereby is, confirmed and this appeal dismissed and

(2) that the appellant do pay to the Respondent his costs of this appeal when taxed and noted in the margin hereof with interest thereon at the rate of 6 per cent per annum from the date of taxation to the date of payment.

(Sd) B.C.Sankaranarayana
3-3-1933
Asst. Registrar
Appellate Side

Certified to be a true copy,
Dated this 1' day of April 1933

Sd/- N. Krishnaswamy
Bench Clerk, O.S.

Dev. Dept.

D.M. No. ~~1592-II/33-37~~ 3286 2/28-33-37 Dt. 27.6.33

4/Jub.

Subject Bellary Match Factory - Appeal by the Insurance Company. Result.

Dp/29.6.33

pp 308-313 cf

The Govt. understand that the appeals preferred by the Insurance Company against the order of the Hon'ble Mr. Justice Stone regarding ~~respect of the Sum paid~~ insurance of the Bellary Match Factory ~~for it under protest~~ has been ~~decided~~ dismissed on 1.3.33 in favour of the respondent. The Govt. Solicitor is requested to obtain and submit to Govt. certified copies of the judgments ~~and decree~~ in these cases ~~and to submit them to Govt.~~ at an early date.

Ker 26.6.33.

Dp 28.6

RR 27.6.3

RW 3.1.33

To the Govt. Solicitor
Copy to the D.D.

Reminder No. I. — D 2057-II — Binding P. 308

P.W.D. Bombay. 20.7.33 6.7.33.

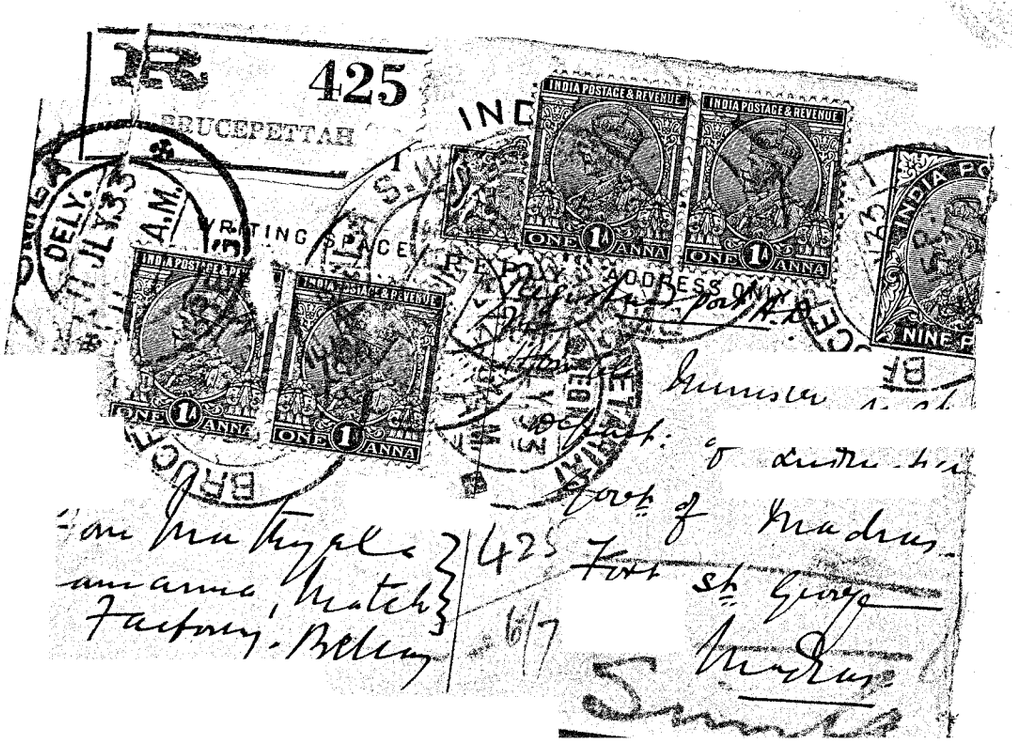
Sir, Kindly Ref:- Your Endorsement 10328 dated 7th June 1933. and my reply ~~letter~~ dated 7th June 1933. I beg to inform that no reply has till now been received for the above letter posted. I regret very much to inform at the same time that no reply has been received till now from the Director of Industries Madras in spite of my several reminders dated 15.4.33, 12.6.33, 3-6-33 and 14.6.33 having tried I addressed a Registered A.D. letter to the Director of Industries Madras today. I therefore request that a letter also may kindly be addressed to the Director of Industries for early reply. Remain,

Yours faithfully
Mr. Ramanna

Dev.

SB 14/7

35.


R 425
BRUCEPETTAH
INDIA POSTAGE & REVENUE
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REPLY ADDRESS ONLY
DELY.
JUL 35
A.M.

Dev.

SB
14/7

316

D 2263
8.8.33

C F 32-(a)

.....DEPARTMENT.

In reply, please quote this number, date and short

SECRETARY TO GOVERNMENT
8-AUG 1933
DEVELOPMENT DEPARTMENT

Received.....*Registered*.....

From (Name) H.M. Small Esq., M.A., LL.B.,

(Designation) Ag. Government Solicitor,

Post Box....., (Station).....Madras.

Telegraphic Address.....

To The Secretary to Government,
Development Department,
M a d r a s.

To Asst. Secy.
The copies of the judgments may be awarded.
KEN
8.8.33
Meanwhile prepare a draft on the assumption that the judgment is in favour of Ramanna Chetty & Co.
8.8.33
P. 314. Supra

No. 1762, *dated* 7th August 1933.

Sir

Bellary Match Factory - Appeal by the Insurance Co. - Result - O.M.No.3286 II/28-37 dated 27-6-33 - Your reminder dated 1-8-33.

A draft O.M. is put up for the order of the Govt.

Enclosures.....

I have the honour to state that I have applied to the High Court for copies of the Judgments asked for in your abovesaid memorandum and will send same to you on receipt thereof.

Spare Copies.....

RV

I have the honour to be,
Sir,
Your obedient servant,
H.M. Small
Ag. Government Solicitor

F. 32-(a).

In reply, please quote number, date and short title *

.....DEPARTMENT.

Received..... *Registered* Dev. 2309 H. 12- -33

ASSISTANT SECRETARY TO GOVERNMENT 11 AUG 1933 DEVELOPMENT DEPARTMENT

From (Name) H.M. Small Esq., M.A., LL.B.,

(Designation) Ag. Government Solicitor,

Post Box....., (Station) Madras.

Telegraphic Address.....

To The Secretary to Government,
Development Department,
M a d r a s.

No. 1801, *dated* 10th August 1933.

Sir,

* C.S.No.219 of 1930 - O.S.A. No.25 of 1932
Muthiala Ramanna v. The New India Assurance.

I have the honour to request that you will be enough to send me Re.1-0-0 being the Court fee stamps spent in July 1933 in the above suit out of my contingencies as the same has to be sent to the Imperial Bank of India for credit of Government.

RV

I have the honour to be,
Sir,
Your obedient servant,
H.M. Small
Ag. Government Solicitor.

ENCLOSURES.....

IN Copies

193
July 17 Paid stamp on application for copy
Judgment dated 1-3-1933 Re.1-0-0.

C F. 32-(a).

DEPARTMENT.

In reply, please quote number, date and short title *

Received ..... Registered D-w. 2310 II 12-8-33

11 AUG 1933 DEVELOPMENT DEPARTMENT

From (Name) H.M. Small Esq., M.A., LL.B.,

(Designation) Ag. Government Solicitor,

Post Box ....., (Station) Madras

Telegraphic Address .....

To The Secretary to Government,
Development Department,
Madras.

No. 1802, dated 10th August 1933.

Sir,

* C.S.No.219 of 1930 - O.S.A.No.26 of 1932 - Muthiala Ramanna .v. The New India Assurance Co.

I have the honour to request that you will be good enough to send me Re.1-0-0 being the Court fee stamp spent in July 1933 in the above suit out of my contingencies as the same has to be sent to the Imperial Bank of India for credit of Government.

I have the honour to be,
Sir,
Your obedient servant,
H.M. Small
Ag. Government Solicitor.

RV

ENCLOSURES .....

SPARE COPIES .....

1933
July 17 Paid stamp on application for copy Judgment dated 1-3-1933 Re.1-0-0

Dev. Dept.

Letters from the Govt. Solicitor Nos. 1801 + 1802 Dt. 10.8.33. — Bellary. Match Factory — O.S.A Nos. 25 + 26. — Copies of judgments — Cost of Court fee stamps.

PP. 317 + 318 CF

1/16.8.

Endt. No. 3286-4/28-38 Dt.

Communicated to the D.O for compliance direct.

KR
16.8.33

RR
17.8.33

To the D.O.
Copy to the Govt. Solicitor, Madras.

DO
16.8.33

Dev. 2482-11
29-8-33

C F. 32-(a).

In reply, please quote number, date and short title *

DEPARTMENT.

Received ..... Registered .....

From (Name) Arthur Thomas Esq.,

(Designation) Government Solicitor,

Post Box ....., (Station) Madras.

Telegraphic Address .....

ASSISTANT SECRETARY TO GOVERNMENT
23 AUG 1933
DEVELOPMENT DEPARTMENT

To The Secretary to Government,
Development Department,
Madras.

No. 1992, dated 28th August 1933,

Sir, Bellary Match Factory - Appeals by Insurance Company - Copies of Judgments.

With reference to your reminder dated the 23rd August 1933 I have the honour to state that I have applied to Court for copies of the Judgments, but have not yet received the same.

I have the honour to be,
Sir,
Your obedient servant,
Arthur Thomas
Government Solicitor.

ENCLOSURES .....

SPARE COPIES .....

CG/RV

To Asst. Secy.
Copies of judgments may be awaited. The Govt. Solicitor may be reminded if necessary on. 15-9-33
30-8-33
31833

C.F. 32-(a).

In reply, please quote number, date and short title *

Dev. 2560-II
4-9-33

.....DEPARTMENT.

Received.....Registered.....

ASSISTANT SECRETARY TO GOVERNMENT
4 - SEP 1933
DEVELOPMENT DEPARTMENT

From (Name) Arthur Thomas Esq.,

(Designation) Government Solicitor,

Post Box.....; (STATION) Madras.

Telegraphic Address.....

To The Secretary to Government,
Development Department,
M a d r a s

No. 2042, dated 31st August 1933.

Sir,

Bellary Match Factory - Appeals by the Insurance Co. - My letter No.1762 dated the 7th August 1933.

ENCLOSURES.....

I have the honour to enclose herewith certified copies of the Decree and Order in the two appeals by the Insurance Company.

PARA COPIES.....

CG/RV

I have the honour to be,
Sir,
Your obedient servant,
Arthur Thomas
Government Solicitor.

In the High Court of Judicature at Madras.

Appellate Jurisdiction.

Wednesday, the first day of March,

One thousand nine hundred and thirty three.

Present:- The Honourable Sir Horace Owen Compton Beasley, Kt., Chief Justice.

A n d The Honourable Mr. Justice Bardswell.

Original Side Appeal No. 20 of 1932.

The New India Assurance Co., Ltd. Plaintiff.

Muthiala Ramama-- Respondent.

On appeal from the order of the Honourable Mr. Justice Stone dated the 4th day of February 1932 and made in the exercise of the Ordinary Original Civil Jurisdiction Of the High Court in Application No. 309 of 1932 in C. S. No. 219 of 1930

Between:-

Muthiala Ramama-- Plaintiff.

A n d

The New India Assurance Co., Ltd. Defendant.

This O. S. Appeal coming on for hearing upon reading the grounds of appeal, the order of the Honourable Mr. Justice Stone dated the 4th day of February 1932 and made in the exercise of the Ordinary Original Civil Jurisdiction of the High Court in Application No. 309 of 1932 in C. S. No. 219 of 1930 and the material papers in the suit and upon hearing Mr. K. Narasimha Aiyar advocate instructed by Messrs. Short Bewes and Co., Attorneys for the Appellant and Mr. KasturiSeshagiri Rao advocate for the Respondent,

It is Ordered as follows:-

1. That the order of the Honourable Mr. Justice Stone dated the 4th day of February 1932 and made in the exercise of the Ordinary Original Civil Jurisdiction of the High Court in Application No. 309 of 1932 in C. S. No. 219 of 1930 be and hereby is confirmed and this appeal dismissed; and

22 That the Appellant do pay to the Respondent his costs of this Appeal when taxed and noted in the margin hereof with interest thereon at the rate of 6 per cent per annum from the date of taxation to the date of payment.

(Sd) B. C. Sankara Narayana 5-5-1933
Assistant Registrar App. Side.

Certified to be a true copy.
Dated this 30th day of August 1933.

AAziz.

Bench Clerk O. S.

Ed
MB
29 aug 33

Dated 1--3--1933.

O. S. A. No. 26 of 1932.

Dismissing with costs the Appeal against the order of the Honourable Mr. Justice Stone in the exercise of the Ordinary Original Civil Jurisdiction of the High Court in Application No. 309 of 1932 in C. S. No. 219 of 1930.

G. Solicitor

7-7-33

22-8-33

22-8-33

10-8-33

In the High Court of Judicature at Madras.

Appellate Jurisdiction.

Wednesday, the first day of March,

One thousand nine hundred and thirty three.

Present:- The Honourable Sir Horace Owen Compton Beasley

A n d The Honourable Mr. Justice Bardswell.

Original Side Appeal No. 25 of 1932.

The New India Assurance Co., Ltd., Appellant.

Muthiala Ramanna-- Respondent.

On appeal from the decree and judgment of the Honourable Mr. Justice Stone dated the 28th day of October 1931 and passed in the exercise of the Ordinary Original Civil Jurisdiction of the High Court in C. S. No. 219 of 1930.

Between:-

Muthiala Ramanna-- Plaintiff.

A n d

The New India Assurance Co., Ltd., Defendant.

This O. S. Appeal coming on for hearing upon reading the grounds of appeal the judgment and decree of the Honourable Mr. Justice Stone dated the 28th day of October 1931 and passed in the exercise of the Ordinary Original Civil Jurisdiction of the High Court in C. S. No. 219 of 1930 and the material papers in the suit and upon hearing Mr. K. Narasimha Aiyar advocate instructed by Messrs. Short Bewes & Co., attorneys for the appellant and Mr. Kasturi Seshagiri Rao advocate for the Respondent.

It is Ordered and decreed as follows:-

1. That the judgment and Decree of the Honourable Mr. Justice Stone dated the 28th day of October 1931 and passed in the exercise of the Ordinary Original Civil Jurisdiction of the High Court in C. S. No. 219 of 1930 be and hereby is, confirmed and this appeal dismissed; and

2. That the Appellant do pay to the Respondent his costs of this appeal when taxed and noted in the margin hereof with interest thereon at the rate of 6 per cent per annum from the date of taxation to the date of payment.

B. C. Sankara Narayana 3-3-1933
Assistant Registrar App. Side.

Certified to be a true copy.
Dated this 30th day of August 1933.

AAziz.

Bench Clerk O. S.

Ex
MB
29.aug.33

Dated 1--5--1933.

Decree.

O. S. A. No. 25 of 1932.

Dismissing with costs the appeal against the decree of the Honourable Mr. Justice Stone in the exercise of the Ordinary Original Civil Jurisdiction of the High Court in C. S. No. 219 of 1930.

G. Solicitor

[illegible] appeal	17-7-33
[illegible]	22-8-33
[illegible]	22-8-33
[illegible]	30-8-33

DEPARTMENT. 7137

Received ..... 19 *Registered* ..... 19 .

Subject.

MUTHYALA RAMANNA - MATCH FACTORY

ENCLOSURES.

No. .....

.....

Spare copies .....

No. 595A33

Station Madras, *Dated the* 5th September 1933.

From (Name) V. Ramakrishna Esq., M.A., B.Sc., (Edin.) I.C.S., M.L.A.,

(Designation) Director of Industries,

To The Secretary to the Government of Madras,

Development Department.

Sir,

Ref:--Development Department Memorandum No.3286-II/28-30 dated 27th July 1932.

--

The appeal filed by the Insurance Co., has, I understand, been dismissed and they have since paid the balance due out of the decree amount with inter[illegible] n at 6% [illegible] the attached statement shows their accounts.

2. As regards the balance due from Ramanna, the amount that was due on 22nd March 1932 was Rs 4,689-9-3 vide my letter No.57-A/32 dated 24th May 1932. The accompanying statement gives the account of Ramanna from that date and takes into account also the amount of Rs 219/- received

from the auctioneers on 7th March 1933. It will be seen that there is a balance of Rs 1162-9-3 still due from Ramanna.

3. The question now arises whether it is necessary to collect the outstandings from Ramanna referred to in para 2 above. It is true that the Insurance Co., have had to pay for no fault of their own, the greater portion of Ramanna's dues to Government and although the borrower has been a gainer to this extent, he has suffered in this transaction. The machinery in his match factory which was valued at Rs 30,000/- nearly at the time of the grant of the loan, fetched Rs 4,500/- only at the auction, as a result of the damage by the fire and the amount received from the Insurance Co., was only a compensation to Ramanna for this loss. He has also incurred some expenditure in the arbitration proceedings. It will be observed from the statements of his accounts that Government have already collected something like Rs 6570/- in the shape of penal interest alone as shown below:--

Date of collection	Amount of penal interest
17-9-1930	Rs 1,500 0 0
30-9-1930	Rs 1,707 8 0
27-1-1932	Rs 2,850 6 2
22-3-1932	Rs 71 7 4
24-2-1933	Rs 435 8 10
7-3-1933	Rs 4 2 5
Total	Rs 6,569 0 9

That is to say, we have collected within a period of 5½ years from the date of the grant of the loan nearly one third of the amount of the principal, as penal interest alone, besides simple interest amounting to Rs 2.053-2-7 collected already. In the ordinary course, if the five instalments of the loan due still now had been paid regularly and the balance of the loan paid in full in March last when the last payment on this account was received, we could have got

about Rs 6700/- only. Government have not, therefore, been losers in this transaction.

4. It is, therefore, for the consideration of Government whether the amount of Rs 1162/- odd still due from Ramanna may not be waived. It will be remembered that at the time of the auction, an injunction was granted restraining the auctioneers from selling two-thirds of the land and buildings and as there was no bidder prepared to bid for the balance, it was not possible to sell the portion offered. Even if that injunction is not binding now, the suit having been dismissed subsequently, Ramanna or his minor sons may, if we again proceed on the land and buildings, try their usual obstructive tactics, ~~xxxx

STATEMENT OF INSURANCE CO'S ACCOUNT.

	Principal	Interest
Decree amount	Rs 22,902 4 2	
Interest from 28-10-31 up to 27-1-1932 for 91 days.		Rs 342 9 6
Receipt on 27-1-1932 Rs 19,590-12-10 and apportioned into	19,248 3 - 4	Rs 342 9 6
Balance due on that date	3,654 - 0 10	
Interest on this amount from 27-1-1932 up to 22-3-32		32 15 2
Amount received on 22-3-1932 Rs 137-2-0 and apportioned into	104 · 2 10	32 15 2
Balance outstanding on 22-3-32	3,549 14 0	
Interest on this amount from 22-3-32 up to 23-2-33		197 13 2
Amount received on 24-2-1933 Rs 3747-11-3 and apportioned into	3,549 14 0	197 13 2
Balance		Nil

3747-11-3

Ramanna's Account

Pl 27 Ante

Amount due on 27/1/32 (Penal interest [illegible])

	Principal	Simple interest	Penal interest
	Rs	Rs	Rs
From 20-9-30 up to 27-1-1932 at 10% on Rs 21,495-10-7	--,000 0 0	1,495 10 7	2,850 6 2
Received on 27-1-1932 Rs 19,590 12 10 and apportioned	15,244 12 1	1,495 10 7	2,850 6 2
Balance due on 27-1-32	4,755 3 11		—
Received by the Government Solicitor on 22-3-32 Rs 137-2-0 and apportioned	65 10 8		71 7 4
Balance on 22-3-32	4,689 9 3		
Penal Interest on this amount from 22-3-1932 to 23-2-33			435 8 10
Receipt by Government Solicitor on 24-2-1933 Rs 3377-12-4 and subsequently Rs 369-14-11 = 3,747-11-3 apportioned	3,312 2 5		435 8 10
Balance due on 24-2-33	1,377 6 10		
Penal interest on Rs 1,377-6-10 from 24-2-1933 to 6-3-1933			4 2 5
Receipt of Rs 219 on 7-3-33 from Zackria Sait apportioned	214 13 7		4 2 5
Balance due on 7-3-1933	1,162 9 3		

Copy of letter No.S.P.881 dated the 16th March 1932 from the Government Pleader, Bellary, to the Director of Industries, Madras.

Ref:--15-A/31-O.S.313/30 Bellary Munsif Court -MUthyala Ramanna Match Factory.

As regards my fees in the above suit.

The suit in question was for a declaration that the plaintiffs were not liable to pay the mortgage loan of Rs 20,000/- borrowed by their father and that was the main issue in the suit. The suit had been improperly valued and insufficiently stamped. The plaintiff had valued the suit as if it were a simple suit for partition and valued his relief at Rs 5/- according to law. In the written statement an objection had been taken by the Government that the suit as framed was not properly valued. This issue about valuation, if it had been taken up first, would have certainly resulted in the plaint being returned for want of proper stamp duty. However the suit was dismissed for default and no finding was given on any issue raised in the suit.

In the above circumstances my fees will have to be calculated under Rule 37 as if the suit was a declaratory suit. Under Rule 37 read with Rule 31(b) the pleader's fee will have to be calculated at 5%. The amount due to me is, therefore, Rs 700/- I may be permitted to add that though the suit was dismissed for default I spent considerable time in going through a voluminous file of several hundreds of pages connected with the dispute. I had to read and analyse about 114 letters. I had to attend several adjournments covering a period of over a year from 7-2-1931 to 11-11-1931.

10-10-1930

To

The Director of Industries, Madras
Through the Collector, Bellary,

Ref:--15/A31- OS 313/30 Bellary Munsiff's Court
Muthyala Ramanna Match Factory.

--

Government Pleader's Bill S.P.No.88/32

No.	Particulars	Amount
1.	Pleader's fee	700 0 0
2.	Stamps affixed to 2 adjournment petitions	1 8 0
3.	Copy application for 'Issues' copy	0 5 0
	Total	701 13 0

Copy of letter No.S.48/33 dated the 2nd March 1933 from the Government Pleader, Bellary to the Director of Industries, Madras.

Ref:--No.57A/32 dated 11th February 1933 Ref:--Your N.Dis.No.C/1395/32 dated 20-3-1932 - Bellary Match Factory - C.S.No.313/1930 - Bellary Munsiff's Court.

I regret veru much for the delay in submitting the information. It is due to oversight pure and simple.

2. In the above suit the Government has put in appearance on the several days mentioned below:--

10-10-30, 31-10-30, 21-11-30, 5-12-30, 8-12-30, 9-12-30, 7-2-31, 7-4-31, 4-7-31, 4-8-31, 4-9-31, 29-9-31, and 11-11-31.

3. It is not possible for me to state now how much time was spent on each of the above days nor the amount of work turned out on each day. As far as I can gather from my notes, it is as follows:--

10-10-31:--The suit was called and time was taken for filing the written statement.

31-10-30:--The suit was called and time for written statement was extended to 21-11-1930

21-11-30:-- - do- Time extended till 5-12-30

5-12-30:--Written statement was filed and the suit was adjourned to 8-12-30. for issues.

8-12-1930:--Adjourned to the next day for issues.

9-12-1930:--Issues were settled and the trial was adjourned to 7-2-1931

7-2-31:-- and 7-4-31:--The suit was adjourned as the parties were not ready.

4-7-31:--On a joint petition pending arbitration in the High Court about the insurance amount the suit was adjourned.

it was adjourned to 29-9-1931 for compromise.

29-9-31:--Adjourned to 11-11-31 on a petition put in at the instance of the Director of Industries.

11-11-31:--Other side submitted no instructions and the suit was dismissed.

It is not possible to give the times spent on each occasion in court as it happens that we have to be present and wait till the suit is called for on each and every occasion. It may be we have to wait for hours in the courts. I am not asked by the Government to keep my such timings, nor would it be possible for me to do so under the existing circumstances.

5. In my letter dated 16/1/1932 I had stated to the Director of Industries that the plaintiff had valued the suit at a relief of Rs 5/- as if it were a simple suit for partition and that the Government had taken the objection that the suit was not properly valued. The contention of the Government was that the suit was mainly for a declaration that a mortgage land of Rs 20,000/- was in valid and as such an ad valorem fee of Rs 20.000/- should have been paid by the plaintiff. An issue about the valuation was framed in the suit and if that issue had been decided upon at the outset the plaint would have been returned for presentation to the proper court and payment of a proper fee.

6. I claimed a fee of Rs 700/- under rule 37 read with Rule 31(b) of the Civil Rules of Practice on the basis that the suit was really a suit for setting aside a mortgage deed of Rs 20,000/- though the plaintiff had improperly valued it at Rs 5/- I had also stated in my letter to the Director of Industries that I had to spend a considerable time in going through a voluminous file of several hundreds of pages connected with the dispute. I had to read and make an analysis of about 114 letters

7. The above are the facts connected with the question of determination of

Dev Deptt.

[C No. 3286 ii/28 from the Bd., No. 156-A/28 d 28-9-28]

State Bd — Loan to Beleej watch factory — Suspension of repayment of first annual instalment

Notes

Please see Co No. 1320 Dev dated 25th Aug 27 and the Director's letter in the current file. It was one of the conditions of the loan that the proprietor of the watch factory should appoint a properly qualified man to the satisfaction of the Director of Industries to be in charge of the factory. The dislocation in the working of the factory resulting in a loss, was due to the quarrel that sprang up between the proprietor and the manager selected by the Director. The Director has not stated on which side the fault was. But it is clear that under the terms of the Co, the proprietor should have seen to it that there was smooth working under the finance of the man [illegible] the responsibility for the failure of the concern seems therefore to rest on the Director

(Q) — H 1-3 C4

(Q) — 15 of (Q)

2 C4

for the postponement of the first instalment of repayment, (which falls due on 1st October 1928) by one year. In view of the Director's recommendation this request may perhaps be granted, at the same time making it clear to the proprietor that any such guarantee in future will make them liable to pay up the entire amount of the loan. Draft order is submitted for approval. It may be sent to France for acceptance.

I don't think we can legally enforce a condition of this kind at this stage.
RR
29.7.

RR
29.7.

RR
29-7-28

The D.I. may first see S. as to whether the factory is working now & under what management. Stirlitz is far from clear.

AJ
1-10

Sir

Draft OM is submitted.

RR
5-10-28

The D.I. says there ~~[illegible]~~ this appointment of a manager in place of this man who resigned is under consideration.

Issue OM.

RR
5-10-

A/ on p 2 - CA

For Sale.

BELLARY STATE-AIDED MATCH Factory with best new foreign Machinery, in good working order. For details, apply to:—

MUTHYALA RAMANNA,
Proprietor.

M.2323

Would Development Secretary please state whether we have any information as to this? My impression is that it was quite recently that we gave a loan to this factory in order to complete its equipment and machinery and now I find it put upon the market. I do not think the State Aid to Industries Act was intended to promote transactions of this kind.

10-10-1928.

My recollection is that we not only aided it, but deferred collection of the first instalment recently, as the management had had some trouble about getting a superintendent. Will office please put up file?

11-10.

Sofs

The papers referred to in the Secretary's note are ~~in the linked file~~ noted. The Director recommended the suspension of repayment of the first instalment of loan due on 1st October 1930 (but as it was

4

it is working and if so under what management.

2. The Director did not refer in his report to any intention on the part of the proprietor to sell the factory. His attention may now be invited to the advertisement and he may be asked to report. A draft O.M. is submitted.

JB 10-10-0

KL 11.X. S. Dispatch O.M. + Circulate

Get hold of the agreement and by this time

KL 11.X.

Glaced. 10/10

O.M. despd

11/10

3.

Tell 15/10/21

AG 11.10

Notes

Please see the Director's report at p. 7 C.4. It will be seen that not only has the firm not appointed a manager in place of the one who was driven away but that a fresh development has arisen in that the factory has been demolished by fire. It is stated that all the machines were destroyed. If this is so, the major portion of the security on which the Govt loan was granted becomes extinguished. The Director says that he is not satisfied as to the bona fides of the proprietor or his ability to run the concern successfully and recommends summary recovery of the loan irrespective of whether the factory can continue operations or not.

Copy of Gov no. 25-8-27 (Q)

2. The situation would seem to raise some legal points. Such a contingency as has now arisen has not been provided against either in the original sanction of the loan or in the bond executed by the applicant. But the summary recovery would seem to be justified on the ground that the security on which the loan was granted has been extinguished and that the purpose for which the loan was granted has ceased to exist. The only method of recovery obviously is to attach the insurance policy. Perhaps legal advice we be taken

[illegible] placed below — the issue

[illegible] 13.11.28

13 XI.

S. Burns time is to be lost.
We may at the same time advise the D.I.
to ask the Insurance Co to defer payments
as the factory has under lease to Govt.
for a [illegible]

14.11.

Notes

With reference to Secretary's order
above, please see portion marked A
in para 2 of the D.I's letter, at p 8 C.F.
In view of what he has stated therein orders whether
any instructions need now be issued to him

D.I. has already asked the Insurance
16.11.28 Company to withhold payments of the compensation
pending further advice from him.

13 XI.
J.

Thanks.
14/11

(O.M. No.3286 II/28-3, dated 14-11-1928 to the Advocate-General.)
(From the Advocate-General, Opinion No.255, dated 19-11-28)

To A.S.

Please see the Advocate-General's opinion ... pp.12-13 ... he is of opinion that Government are entitled to take proceedings for the exercise of the right of private sale conferred on them by the mortgage deed

(1) appointment of a properly qualified manager to the satisfaction of the D.I. and

(2) default of payment of first instalment which fell due on 1-10-1928.

He advises however that before taking proceedings a notice in the form of the one adopted in the case of the Carnatic Paper Mills should be given to the mortgagor. The Advocate-General thinks it better however that before this notice is given another notice is given under section 68 of the Transfer of Property Act calling upon the mortgagor to give sufficient security for the debt within say a fortnight, though ~~he~~ the Advocate-General says that the Government are not bound to demand a fresh security and wait for another two weeks. Attention is solicited to para.3 of the D.I.'s letter at p.8. The D.I. is not satisfied with the bona fides of the mortgagor or as to his ability to run the factory ~~the~~ satisfactorily in view perhaps of his conduct so far and want of business experience. In the circumstances it is for consideration whether the course of giving a notice asking the mortgagor to give fresh security will be adopted.

requiring him to pay the principal and interest before the expiry of three months from date of service of notice.

2. In para.1 of his letter d.8-11-2 the D.I. stated that he had asked the Collector of Bellary by wire to report the extent of damage done to the factory and had also asked Mr. Ramanna for a copy of the insurance policy. The D.I. has not reported further on this point. A draft O.M. to the D.I. is submitted for approval.

I understand that he has since received the Insurance Policy. No rep. to D.I. necessary.

22xi

22/11/28

I submit that the D.I. may at once be told to proceed on the lines suggested by the Ad. General.

From the D.I. No 106 A/28 d 28-11-28

To A.S

Two copies of the notice as suggested by the D.I. are submitted below for Secretary's signature. The draft O.M. below is submitted for approval.

29.11.28

29 XI.

29/1

(Issued O.M.No.3286 II/28-5, dated 29-11-1928)
From the D.I. No.106-A/28, d. 8-12-1928)

To A.S.

Please see the D.I.'s letter at p.19 xxfx -25 c.f. It will be seen that Mr. Ramanna's conduct in connection with the fire accident is suspicious. The D.I. will report to Government after the Industrial Engineer has visited the place. para 2. p

The notice demanding fresh security from Mr. Ramanna was served on him on 1-12-28 and a reply is due from him before the 18th instant. The R.D.O. has reported that Mr. Ramanna is anxious that Government should not in any way interfere in the matter until he had settled his claims with the Fire Insurance Co. As he is reported to have plenty of other property perhaps Mr. Ramanna will furnish the additional security now demanded. The D.I. has also stated that the Insurance Co. had written to him stating that they will withhold payment of money to Mr. Ramanna pending further advice from the Director. In view of the suspicious conduct of Mr. Ramanna the D.I. suggests that it would be advisable to recover the Govt. loan summarily and not give Mr. Ramanna any more chance. It is a point for consideration

repayment of the Govt. loan before a reply is received to the first notice (or after receipt of a reply stating that he is prepared to furnish addl. security). For orders whether the D.I.'s suggestion may be approved and orders issued accordingly.

The Advocate-General suggested that we should demand fresh security but that, if the proprietor failed to furnish it, we could at once serve a notice warning the proprietor of our intention to exercise the right of private sale conferred on us by the mortgage deed if payment of our dues is not made within three months of service of such notice. After exercise of the right of private sale, he said we would be entitled to proceed to recover the balance as if it were an arrear of land revenue under section 18 of the State Aid to Industries Act.

The question arises as to what, in the event of the proprietor offers adequate security as now demanded, the Government propose to do to recover their money. Is it the intention to allow him to pay our dues as contemplated in the mortgage deed by instalments even though the purpose for which the money was granted is not being fulfilled? The procedure of instalment payments can be adopted only if the industry is going on and the Government money is being put to the use to which it was lent. I therefore submit that whether fresh security is obtained or not we could immediately after the expiry of 14 days proceed to give the proprietor another notice as contemplated by section 69 of the Transfer of Property Act and by the mortgage deed demanding payment of Government money within three months. It is only after exercising this right we could resort to the provisions of the Revenue Recovery Act

For orders.

I agree so far as it goes

Issue with the Govt. Leg.

[illegible] approval.

Issue
RR
18 XII

[illegible] the D.I. No 3286 II/25-6 d. 18.12.28)
For the D.I. No 10 [illegible] d. [illegible]

p. 26 [illegible]

A.S.

Please see the D.I's letter at pp 7-10 [illegible] enclosing draft notice prepared by the Govt Solicitor for being accepted. Two copies of it are placed below for signature by Secretary. Draft O.M. to the D.I. is also submitted for approval.

RR
31.1

A Copy should be sent to the Liquidator as well.

S. A.

D.I.

om M.R.Ry. Muthyala Seenappa Ramanna Garu, d.28-2-1929)

[illegible] p. 26 [illegible]

A.S.

Please see the notes at p.9 supra. The Government [illegible]ed with the D.I. and decided to recover the loan [illegible] Mr. Ramanna irrespective of whether he is able to [illegible]ish additional security or not. (It will be seen [illegible] the letter at pp.32-33 c.f. that he was not pre-[illegible]ed to furnish additional security.) A notice was [illegible]ed on him on 2-2-1929 (it was signed by Secretary [illegible]-2-1929 and sent to the D.I. for issue) giving [illegible] Ramanna three months time to repay the Government [illegible]n with interest, failing which action will be taken [illegible] sell the properties comprised in the mortgage. The [illegible]ee months time will expire by about 2nd May 1929. [illegible] Ramanna now requests Government to postpone taking [illegible]ion against him until his claim for damages on the [illegible]urance Co. is settled.

p. 35(a) [illegible]

forwarded with his letter it does not look as if the Insurance Co. will agree to pay anything more than what they have offered to pay i.e. Rs.4666-8-6 against Mr. Ramanna's claim of Rs.29862-10-3. It will be seen from the R.D.O.'s letter at p.23 c.f. that Mr. Ramanna has got plenty of other property which can be proceeded against if the loan advanced by Govt. is not recovered by the sale of the factory building and machinery. Mr. Ramanna has not asked for any definite period of extension and it cannot be said how long the settlement of insurance claim will take. It is submitted that no sufficient reasons have been urged for extending the period of three months time given in the notice for repayment of the loan. In the circumstances it is for orders whether Mr. Ramanna may be told ~~whether~~ that the Government cannot grant his request. Subject to orders a draft O.M. is submitted for approval.

7.3.29

RR 7.3. I can see no reason for granting an extension. Submitted.

S. 8.3.

M. 3. Draft approved. Notify. 8.3.29.

Rec'd 8/3

AJ/W.

P 8901 | (OTM II 5200 II/28-68 d. 11.3.29 to MRRy. M. Ramanna
P 8101 | (From MRRy. M. Ramanna d. 1.4.29)
To AJ

orders.

The notices must have been issued

Ser
6.4.29

on the suspension sometime in the first weeks of February 1928. If this month later be found, the money will become payable early in August.

RC
5.4.29

Memo. No. 3286 II/28-68. d. 11.3.29

M. R. Ry

Muthyala Seenayya Ramanna
Jam, Match factory, Bellary.

What has happened in this matter? They want an extension of another three months' time.

AJ
4.4.

To A.S

The file referred to by Secretary is subject Mr. Ramanna was given three months' time to repay the food loan according to the notice served on him – vide p. 35(a) c/f. He now requests that this period may be extended to six months. i.e. another three months.

kee
1.4.29

Please see note below

SR
5.4.29

This is a matter he should not... represented to the Director of Industries & Commerce in person –

G
6/4

To AS

A draft OM to Mr. Ramanna is submitted for approval.

ccu
8/4/29

ssue
RR
9.4.

(Issued as OM No 3286 II/28-9 d. 9.4.29 to Mr. K.S. Ramanna Esqr) p 82 cf

To AS

Mr. Muthyala Seenappa Ramanna, Proprietor of the Mahb Fuency, recency, was served a notice about the first week of Feby 1929 that unless he paid the Govt. loan before the expiry of three months from the date of service of notice the Govt will proceed to exercise the power of sale conferred upon them by the mortgage. The three months time must have been over by now. A draft OM to the Dt. is submitted enquiring whether he received any intimation of payment from Mr. Ramanna and if not, to send up proposals for sale of the property in accordance with the terms of the notice. If any representation from Mr. Ramanna have been received by the Dt. he will no doubt submit them. p 35(a) cf

ccu
2/5/29

RR
8/5
S.

AT

Letter from the D.I. No. 578 A/29 of 13.8.29

To A S

In the Memo on p 83 c.f. the Director was asked to take immediate steps to recover an loan granted to Mr. Muttayala Jeevappa Ramanna. Please see his letter on pp 84-85 c.f. Under the terms of the mortgage deed the property can be sold by public auction or by private sale for any of the defaults mentioned in the deed on the part of the mortgagor. The Govt. Solicitor has advised that the property may be offered by public auction and that steps should be taken to see that the sale is adequately advertised. In consultation with the Collector of Bellary the D.I. has selected Messrs Zakeria Sait and Sons as the Govt. auctioneers. Their terms are stated in para 1 of the D.I's letter and seem reasonable.

In regard to the adequate advertisement of the sale, please see the ~~Director~~ para 2 of the Director's letter on p 85 c.f.

Rs 20,000 in the GO at (a)

It placed below

Para 4(3) on p 9 of the deed placed below

para 4(3) on p 9 the deed

p. 88 c.f.

p 84 c.f.

see their letter 89 c.f.

pp 84-85 c.f.

this proposal

Gazettes and in the newspapers submitted by the Director for the approval of Govt. are on pp 86-87 C.F. The particulars of the buildings and machinery specified in the draft advertisement on p 86 C.F are in accordance with the schedules to the Mortgage Deed executed by Mr. Muthyala Ramanna. The draft advertisements may be approved. A draft memo. is subd.

pp 15-16 of the Deed placed below

placed below

pp 86-87 C.F

The Director reports that the Revenue Divisional Officer Bellary will be asked to watch the sale on behalf of the Govt. It is for consideration whether the Director may not be asked to fix a reserve price so that the property may not be sold for any amount less than that. The factory was started with a capital of about Rs 46,000, and the Govt. have granted a loan of Rs 20,000. In the mortgage deed it was stipulated that the property should be insured for Rs 25,000. Perhaps this amount Rs 25,000 may be fixed as the reserve price subject to order. This point has alr

para 3 on p 85 C.F

will be held on 14.

para 2 on p1 of (9)

p 15 of (9)

para 3 on p 7 of in. order

issue after perusal by Finance

GB
17/8

~~In December~~ In December 1928 the Director reported that he would ask the Industrial Engineer to visit the Factory and report on the extent of the damage to the machinery, building stores etc. The report has not so far been sent up to Government. The particulars of machinery etc. as given in the draft advertisement tally with the schedules given in the agreement. This raises the presumption that the articles of machinery etc. are intact, and that the fire has not affected any of them. But there is no explicit statement to the effect that the Industrial Engineer or his assistant has satisfied himself that ~~xx~~ the scheduled property has been unaffected by fire. Unless the department makes certain of this there may be trouble from prospective purchasers. Even apart from this consideration it is better to omit these two sentences in the advertisement beginning with "The buildings are . . . . . of supply of wood". It is better that we do not undertake to certify to the condition of buildings, machinery or about the supply of raw material. A sentence may, perhaps, be added to the effect that the machinery, buildings etc. may be visited at any time before the day of sale. This may perhaps serve as a safeguard against any later claims ~~against~~ for damages in ~~xx~~ the event of the property not answering to the description given/or expectation raised by the advertisement.

As regards the upset price, it

pp 85 cf.
pp 15-16, appendix below

pp 86-87 cf.

drawn without making any mention of the amount to be fixed.

For orders

RC
17.8.

1. Please telephone to D.I. & find out whether the Match factory has been inspected by the [illegible] engineer for the extent of damage done & what has been reported. What is the property worth now?

[illegible]
19/8

Issue the following to the D.I.

Telephone message from the Asst: Secretary, Development Department to the Director of Industries, dated 19-8-1929.

Ref: Your letter No.578 A/29, dated 13-8-1929.
Re: sale of Match factory at Bellary.

Please refer to the last sentence of para.2 of your letter No.106 A dated 8-12-28 and say whether the Industrial Engineer visited the factory and sent any report on the extent of damages to the machinery, building etc. If so, please send a copy of the report for reference and say what the present estimated value of the property is and whether the articles of machinery enumerated in the schedule to the agreement and embodied in the draft advertisement are in tact and unaffected by the fire accident.

Reminded on 29.8.29

From Mr. S. K. Ramachandran, Pleader,
Bellary d. 26.8.29

To H.S.

Please see the notice sent by the Vakil for the wife and minor sons of Mr. Muthyulla Ramanna, stating that as his client proposes to sue for the partition of the joint family property the Govt should declare that the mortgage (created by Mr. Ramanna) is not binding on the sons. The notice has been addressed to the Collector of Bellary and a copy has been sent to Govt and the D.T. The property mentioned in the schedule attached to the notice is part of the property mortgaged to Govt. For orders whether the report from the D.T. may be awaited or he may be specially asked to offer his remarks on the notice in consultation with the Collector of Bellary and the Local Govt. Pleader. Subject to orders, a draft sent to the D.T. is submitted for approval.

Issue and then submit to Secy in Council

29.8.29

RR
30.8.

T.M. from the Director of Industries d. 31.8.29:-

The Industrial Engineer did not visit the factory and the New India Assurance Co. Madras i.e. when the concern was insured had com-

Factory building - Damages Rs 500/-

Machinery damages 2130

Stock damages 2173-10-6

4803-10-6

This is stated to be the estimated cost of repairs to put the machinery in working order.

To A.S.

The file may be submitted to Secy and for perusal with reference to the orders on the previous page. Please see the reply for the D.I. to the T.M sent to him on the 19th August, in which it was mentioned that the Industrial Engineer did not visit the factory and the information regarding the 2000 sustained is based on the figures of the New India Assurance Co. Madras with whom the factory was insured. This information is already on the file but it does not seem to be of much use to the Govt. The statement showing the machinery or accessories burnt or damaged by fire was furnished by the Superintendent of the Madras Factory to the Insurance Co. The value of the damage to the stock and the Factory building has been admitted by both parties - the Insurance Co. at Rs: Rs 2673-10-6. The damage to the machinery is assessed by the insurance Co.

tachi at Rs 27,188-15-9. There is much difference between the estimates of loss, the Govt want to know whether any articles of machinery have been affected by fire and if so which so that they may be removed from the particulars of machinery given in the advertisement. As the reply of the Dt. is not complete, he will be asked to direct the Govt. Engr. to make an inspection and to send a list of articles if any damaged by fire together with the present value of the machinery. The notice at pp 90-91 of has been referred to the Dt. for early remarks and while the Collector of Belly and the Govt. Pleader are consulted on the subject the Govt. Engineer may inspect the factory and make a report. Subject to orders, a draft OM to the Dt. is submitted for approval.

KEW
1.9.28

I doubt that we can issue the sale advertisement as it stands. It is a bitter that the Dt should have decided to accept the valuation of the damage as assessed by the Insurance Co: especially when there is a radical difference of opinion between the proprietors and the Company.

Dt may be addressed as in the first para. The OM. placed before

[To: from the Dir of Industries No 3286 II/28-II dated 12.9.29] pp 94-95 CF

[From the Dir of Industries No. 698A-29 dated 13.9.29] pages 96-99 CF.

A.S.

Please see Director's reply at pp 96-99 CF, submitting a copy of the inspection report of the Industrial Engineer furnishing details of the estimated damage in the case of the several items of buildings and machinery referred to in the Press advertisement

2 The site ~~and~~ ~~the~~ bungalow building have not sustained any damage. As regards machinery, no damage has been caused to p 98 CF.

(i) Cooking machine

(ii) Ball Mill
(iii) Steam Engine and Boiler
(iv) Shafting
(v) Pulleys
(vi) Belts
(vii) Grinders and also Spinners.

The estimated amount of damage is as follows: — do —

	Rs	as.	pies
(i) Factory building	100	0	0
(ii) Peeling machine	250		0
(iii) Chopping machine	200		0
(iv) Dripping machine	3476	0	0
(v) Outer box making machine	635	8	0 (This is the value at the time of accident; reported to be totally damaged & not worth repairing
(vi) Inner box making machine	861	0	0. — do —
(vii) Box closing and shelling machine	20	0	0.
(viii) Box painting machine	700	0	0. (External damage visible to the eye)
	Rs 6422	8	0

For the reasons explained in para 3 of the Director's reply at pp 97 CF, the estimate of damage can

The Insurance Company's estimate of damages is Rs 4804/- and that of the owners is Rs 27189.

3 The Director states that in the draft advertisement forwarded to Govt no mention was made of the damage caused to or the forcible addition of the items of plant and machinery and it would be difficult and perhaps inadvisable to do so, and that intending bidders will no doubt visit the factory by arrangement with the auctioneer prior to the sale and form their own opinion of its value. For orders whether, in the circumstances, the draft advertisements at pages 86 and 87 etc will be approved with the omissions and additions indicated, the date being suitably altered.

4 Para 5 of the Dir's letter on page 99 etc. The Collector's reply in regard to the hearing of the Dir's notice on the proposed auction sale of the concern may be awaited. For orders

D.N.
1.10.29

The Dir. may be asked to obtain the opinion of the Govt Solicitor as to the advisability of holding the proposed sale when the proprietor and Fire Insurance Co. have appointed arbitrators to assess the value of ... etc. The machinery buildings etc. and are awaiting their decision

A-8

A draft O.M. to A.S. is submitted

D.A.
5.10.29

RK
7.X.

[Enclosures O.M. No 3286-I/28-12 dated 7.10.29] pp 109 CF

[from the Sec of Industries No 6984/29 pp 108-111 CF

dated 14.10.29]

[from the Sec of Industries No 6984/29 dated 22.10.29] pp 112-114

ecy ~~A.S.~~

Please see the Director's letter at pages 108-114 CF.

2. Para 1 of the Director's letter (pp 108-109 CF). In the circumstances explained by the Director, the threatened suit may be avoided. Subject to orders a draft letter to A.S. is submitted.

Para 2 of the Dir's letter. Mr. Ramanna has no objection to Govt appropriating whatever sum may be decided in his favour by the arbitrators as payable by the Insurance Co. The Govt loan to Mr. Ramanna amounts to Rs 20,000/-. Although Mr. Ramanna's total claim for damages from the Insurance Co. may amount to Rs 30,000, it is hardly likely that the arbitrators' award would come up to this amount. Over and above the amount awarded, there may still be a balance to cover the Govt loan. This balance will have to be secured by a mortgage of the machinery etc. about which no claim is made in the suit notice.

have nominated one arbitrator on behalf of Govt. and suggests that the Govt Pleader Madras should be asked to get into touch with the arbitrator and watch the arbitration proceedings. It is submitted that this may be agreed to. A draft O.M. to the Govt Pleader, Madras is submitted.

Paras of Director's letter at p 109 ante. and his further letter at pp 112-114 ante - Advisability of bringing the properties ~~[illegible]~~ to sale before arbitration proceedings are completed

The Govt Solicitor states that

p 110 ante. "from a legal point of view there seems to be no objection to postponing the sale until the damage done has been ascertained, provided that such delay will not prejudice the value of the machinery; this delay will probably assist the parties to recover as much as possible from the Insurance Co and this is of some importance inasmuch as I understand the proceeds of this insurance are to be paid to Govt. I presume that you have given notice to the Insurance Co of the Govt's interest in the subject matter of the policy.

The Dir of Industries states that in view

p 112 ante.

the machinery too for a month or so and that if this is agreed to, it may not be necessary to proceed against the Site & buildings separately as, by the time the award is given, the time suggested by the Court Pleader, delay will also be over.

It is submitted that the Court may agree and inform the Director accordingly.

The Director further states that, although the Insurance Co. was asked to withhold payment pending further advice, no formal notice was given to it of the Court's interest in the subject matter of the policy and that he is consulting the Court Solicitor as to whether a legal notice should issue, and that on receiving form him, he will submit a report to Court. It is submitted that this report may be awaited.

Draft U.M. to the Director of Industries and to the Court Pleader, Madras, placed below are for approval.

D.V.
7.11.29

[illegible]
[illegible] complaints
of the D.I.'s proposals

"SDS"
18.7.

Mr. S.

[illegible]
Ma
8/11

endsU 2
RldSU 2

[Transmitted O.M. No 3286 II/28-13 dated 8.11.29]

[Transmitted O.M. No 3286 II/28-14 dated 8.11.29]

[From the Dir of Industries No 69 GA/29 dated 15.11.29]

[From the Govt Pleader No 1199 dated 20.11.29]

A.S.

Please see the Director's letter at pp 118-119 CF and the Govt Pleader's letter at pages 120-121 CF.

2 Post in A of note at p 26 anti and Dir's letter at p 118 CF. - Sufficiency of notice of Govt's claim to the Insurance Co.

p 119 CF

The Govt Solicitor is of opinion that the Dir's letter asking the Insurance Co to withhold payment to the Bellary Match Factory pending further advice, is sufficient notice of Govt's claim and that when the damage done has been ascertained by the arbitrators, a demand could be made for payment of the same on behalf of Govt. The Director is taking steps to carry out Govt Solicitor's suggestion. Further report in this respect from the Dir may be awaited.

p 118 CF.

Govt Pleader's letter at pages 120-121 CF. Arbitration proceedings before the High Court.

p 120 CF.

The Govt Pleader states that all that he has been able to ascertain is that the matter is now before the High Court and that no arbitrator has been nominated on behalf of the Govt while the Director has stated to the contrary.

A.S. C.M. upto at (c)

Probably the Govt Pleader's information is

~~the~~ this Services ~~of the Advocate General~~ to watch the proceedings. The Govt's Pleader's letter may be sent to the Director for remarks and on receipt of his remarks reply may be given to the Govt Pleader

Subject to orders, a draft to the Director is submitted for approval.

D.A.
22.11.49.

I think it will be desirable ask the Govt Pleader to send to the D. a copy of the grounds of the petition as soon as it is served by the High Court. Inasmuch as the petition was filed by an order of the High Court it seems certain a copy of the report would be sent to the High

Yes, be sought
SRR
22/11

RR
22 XI.

S.

Issue O.M. to D.

SRR
2

[Issued as O.M. No. 3286-I/24-III dated 22-11-49]

A.S.

Invite reference to Sec. the un-gen answer. a draft to the Govt Pleader Madras is submitted for approval.

D.A.
29.11.49.

I am not sure whether the Govt. ought to be asked to send the copy of the petition

O.M.

This should have been put up before the issue of the O.M.

RR
29 XI.

Submitted
D.A.
29.11.

As however Dr has been addressed, the better course ~~now~~ seems is to await his reply and then address the Govt Pleader.

RC
27 XI.

" ~~y~~ work

SM
22/11

p 1/2 ser. [From the Dir of Industries No 698 A/29 dated 26.11.29]

A.S

Please see the Dir's letter at p 12 ser

p 12 ser. 2. As Govt money to the extent of Rs 20, is at stake, the Director suggests that the separate fee asked for by the Govt Pleader to get into touch with the arbitrators and get leave to watch the proceedings before the Umpire may be paid to him

p 12 ser. 3. As the two arbitrators, each representing the Insurance Co and Mr Ramanna, proprietor of Bellary Match Factory respectively could not agree to an Umpire, the High Court was moved on behalf of Mr Ramanna, and an Umpire in the person of Mr Howard of the Indian Export Co has been appointed by an order of the High Court. Mr Howard's duty as umpire will be to decide between the claims of the two parties

The Crown is not a party in the dispute, ~~although~~ and it seems therefore that the Crown Pleader can have no voice in the arbitration proceedings. The umpire's decision will be in respect of correct assessment of damages with reference to actual facts. The Crown Pleader, if he is present when proceedings take place, will have no work to do except to watch them passively, and for this he will have to be paid fees at the rate of about Rs 150 to 250 for the first day and Rs 100 to Rs 175 for consequent days if any. Even if he is paid the above fees, he is not likely to be in a position to advance Crown interests in any way.

The Insurance Co has already been informed by the Director of Industries as to how Crown interests are involved in the claim and also to withhold payment to Mr Olamanna. The Crown Solicitor considers that this is sufficient notice. In view of the proceedings, what is wanted is that we should know the award of the umpire as soon as it is given, so that we may ask the Insurance Co to pass the amount of award to us. This can best be done if the Crown Pleader is asked to do

p 113 cf.

p 119 cf.

W. [illegible] 29.9.29

is not specified in the [illegible]

RC
30.XI.

This work would seem to be within the scope of the duties assigned to him and his fees would be paid to him.

In these circumstances I think for orders whether a proper reply to the Government Pleader should be sent to him. Also it may be sent to the Government of India (Central).

D.N.
30.11.29.

We may issue to O.M. and watch this reply [illegible]. R

30/11

RC
5.XI.

Issue

30.2

p. 124 ct. [Issued as O.M. No. 3286-I/28-Ind. 30.11.29]

p. 125 ct. [From the Govt Pleader, Madras, U/minute No. 3 dated 13.1.30].

A.S.

Please see Govt Pleader's letter to the Director at p. 125 ct. The Director may be asked to expedite this reply. A draft is submitted.

D.N.
23.2.

An interim reply was received [illegible] days lapsed. Put that up.

RC
22.2.

p. 126-127 ct. [From the Dir. of Industries 115 A/30 D/9.2.30]

p. 131 ct. [From the Govt Pleader No. 29 & D/24.2.30]

126-127 cf. The Director suggests that the progress of Vermanna's appeal to the High Court to set aside the award of the Umpire may be watched by the Crown Pleader, the special fee asked for by him originally at p 121 cf being paid if necessary. For orders if this may be agreed to.

2. The further report promised in the concluding paragraph of the Dr's letter at p 127 cf may be awaited.

D-A.
1.3.30.

It does not appear necessary that the Govt Pleader should be asked to watch the progress. He will have to be paid his fees for ~~[illegible]~~ his attending the ~~[illegible]~~ Court and he cannot raise any views as ~~the~~ Govt are not a party in the case. The result of the appeal proposed from the orders of the Umpire may be awaited and the Govt Pleader may be asked to communicate the High Court's orders immediately they are passed to the Dr of Ed.

This has been done
SM
1.3

PC
4.3.

A.S.

A copy to the Crown Pleader is submitted for approval.

D-A
7.3.30.

JS
J.

DR

p134 CF [Issued as O.m No 3286-II/28.17 dated 7.3.30]

p135 CF [From the Govt Pleader, Madras No. 365 dated 10.3.30]

A.S.

Please see the letter from the Govt Pleader at page 135 CF. In the circumstances explained by him, the Govt Solicitor may be addressed in the matter. Up to, a draft is submitted for approval.

S.N.
19.3.30.

Issue as new

RR
19.3.

p136-138 CF [Issued as letter No 115-A/30 dated 18.3.30]

p140 CF [From the Govt Solicitor No 509 dated 2.4.30]

A.S.

Please see the Govt Solicitor's letter at pages 140-141 CF. He reports that the High Court have set aside the award of the Umpire on the ground of legal misconduct of the Arbitrators and the Umpire. He has not however told us what the next proceeding is going to be. He may perhaps be asked to forward a copy of the High Court's order and keep watch the proceedings further in the matter of award. Up to, a draft is submitted.

S.N.
10.4.30

Issue

RR
7.4.

Pdk
6.4.30

p142 CF [Issued as O.m No 3286-II/28.18 dated 7.4.30]

pp144-145 CF [From the Sri Lanka Govt No 115-A/30 dated 28.4.30]

A.S.

Please see the D.L's letter at p. 144 cf and the Govt Solicitor's letter at p 146 cf.

2. The Director states that Mr Ramanna has filed a suit in the High Court for recovering the damage from the Insurance Company and requests that the Govt Solicitor may be asked to watch the progress of the suit. It is submitted that this may be done. p 144 cf. | Issue RR 135.

3. The Govt Solicitor considers that it would be advisable for Govt to exercise their power of sale and that before sale is effected it would be helpful to the proprietor to give their reasonable notice (say six weeks) of the Govt's intention to exercise such power of sale so that he may if necessary take steps to have the damage again assessed before the property is brought to sale p 146 cf.

Last year we served a notice on the proprietor of our intention to exercise the power of sale – Please see pages 55-56 cf. The notice was served on 7.2.49 and the 3 months period notice terminated on 7.5.49 Please see p. 58 cf. The Govt solicitor apparently considers that a fresh notice is necessary now. It is submitted that the Director may be asked to have a fresh

Solicitor.

Drafts by the Director and the Govt Solicitor are submitted for approval.

8.5.30

13.5.

O.J

p147 CF [Issued as O. on No 3286 II/28-29 dated 16.5.30]

p148 CF. [Issued also as O. on No 3286 II/28-29 dt 16.5.30]

p149 CF [From the Govt Solicitor No 115 dated 21.5.30]

pp150-151 CF [From the Dir of Lands No 115 A/30 dt 31.5.30]

A.S

Please see the Director's letter at pp150-151 CF, submitting a draft notice drawn up by the Govt Solicitor notifying Govt's intention to exercise the power of sale, to be served on the proprietor of the Bellary Match Factory.

2. As regards the name of the Govt auctioneers who should sell the mortgaged properties by public auction, the Director suggested in his letter dated 13.8.29 at pp 84-85 CF, the firm of Messrs Zackria Leith & Sons, Bellary who were recommended by the Collector. The terms asked for by the firm are: 3% commission on the Match factory & Rs.200/- to meet the advertisement charges if it is unsold. As submitted that the reasons demanded by the Company, which appear fair, may be

289 CF

which the Govt Solicitor considers necessary, the Director's recommendation in in para 2 of his letter dated 13.8.29, at p. 85 cf may be approved. The drafts of the advertisement in the Gazettes and in the Papers at (p. 86-87) may perhaps be approved with the amendments indicated.

2. A draft O.M. to the Dir of Lands is submitted for approval. It may issue with the concurrence of Finance. On return of the file from Finance, the date of the present notice, the name of the Govt Analyst and the date of public auction will be entered in the O.M. of notice at p. 152 cf, before issue of the reference to the Director

(x) and also with the advertisements 86 & 87 cf.

D.N.
6.6.30.

RR
7.6.

S. SMR
7.6

Accepted
9.6.30

Dev

Dem no. 3286/II
9.6.30

To Sec.

Dem. 24/11

Submitted

D.N.
9.6.30

258 cc.
9.6.30

The O.M. may be approved & issued.

SMR
9/6.30

M3

Mins
10.6.30

37

Special

O.M. to the D. J and the Collector of Bellary, No 3286 II/28-21 dj 10-6-1930

To Asst. Secretary

In the notice at p 152 C.F it has been stated that the property was be sold on Monday, the 27th July 1930. However 27th July falls on a Sunday the date may therefore be altered to Monday, the 28th July 1930.

A draft memo is submitted for approval

AHM
30.6.30.

(The Secy has to sign the notice. The mistake in the date was casually noticed only today)

RL
30.6.30

J. Please verify whether fresh notice within 7 weeks is necessary?

2.7.30 not, issue.

Special

Advice from Law that fresh notice within 7 weeks is not necessary.

Office of the Director of Industries,
Post Box No.432,
Madras, dated the 7th July 1930.

Post Copy of Telephone.

From the Director of Industries, Madras

To The Secretary to Government, Development Department.

Dated the 5th July 1930.

p155 CS

Ref:--Government Memorandum No.3826-II/28-22 dated 3rd July 1930.

The mistake in the date was noticed in this office and duly corrected in the advertisement sent to the Fort St.George Gazette and Messrs Zackria Sait and Sons. The Collector of Bellary was also asked to have the correct date entered.

The notice was served on Mr. Ramanna by the Assistant Industrial Engineer, Bellary, in person on the 17th June 1930 and subsequently, the Assistant Industrial Engineer, on my telegraphic advice, got the date in the original corrected. Please let me know whether in the circumstances you still consider that the revised notice should be served on him.

for Director of Industries.

Copy of letter dated 18th June 1930 from M.R.Ry Ch.Ranga Rao Garu, Supervisor in Charge, Office of the Assista Industrial Engineer, Bellary, to the Director of Industries, through the Industrial Engineer, Madras.

With reference to your Memorandum No.115-A/30 dated 13th June 1930 and telegram dated 17th instant, I have the honour to state that the notice in original has been served by me in person on M.R.Ry Muthyala Seenappa Ramanna Garu, Propriet Bellary Match ~~Manufacturer~~ Factory, Bellary duly correcting the date o sale to 28th July on the original not

39 375 ~~359~~

Development Dept.

To Asst. Secretary

549

Please see the telephon message from the D. I at p 38 ante. As the date of sale has been corrected by the Asst. Industrial Engineer Bellary in the notice ~~service~~ served on Mr. Ramanna it seems unnecessary to serve the revised* notice on the latter. A draft reply to the D. I is submitted for approval

AM
7.7.80

KS
7.7.

p 152 C.F

* Revised notice is the same as the original notice excepting for the alteration in date from 27th July to 28th July; the latter is the correct date.

Development Dept.

Telephone message

To

The D. I

Ref. your t. m. d) 7.7.30 regarding the Sale of the Bellary Match factory.

In the circumstances stated by you the revised notice forwarded with memo No 3826 II/28.22 d) 3.7.30 need not be served on Mr. Ramanna.

RS
7.7.

p 38 nt

p 77

p 155 C.F

AH
7.7.30

p.c. to go.

Despatched.
7/8/30

To out
7/8/30

Development department.

To Asst. Secy.

This file deals with the Bellary Match factory belonging to Muthyala Ramanna in respect of which the Government have given a loan (of Rs. 20,000) under the State Aid to Industries Act . The amount due to Government inclusive of interest is reported to be about Rs. 24,000.

2. Mr. Ramanna defaulted in paying the first instalment and subsequently advised the Govt. property for sale. In the meantime the factory which had been insured with the New India Assuranc Co. Ltd., caught fire and Mr. Ramanna demanded compensation from the Company. There was consider-able difference in the amount of damages as put forth by Mr. Ramanna and as accepted by the Compan In the end an Umpire was appointed by the High Court who decreed Rs. 7,673-10-6. Mr. Ramanna not being satisfied with the award appealed to the High Court. The High Court (Justice Eddy) set aside the award but a copy of the High Court's judgment has not been received from the Government Solicitor.

3. In the meantime the factory was, on the advice of the Government Solicitor, put up for sale

4. When Mr. Ramanna was in correspondence with the Insuranc Company and the Government Mr. Ramanna's wife and minor children filed a suit for partition and at the same time prayed for an injunction restrain-ing the Government from selling 2/3rds of the land

No bidders were forthcoming for the property as thus restricted. The auctioneers thereupon sold only the machinery which went up for Rs. 4,500. The Industrial Engineer considers the offer fair and suggests that the sale may be confirmed. The D.I. asks for orders and at the same time brings to notice that he has had an enquiry from a Bombay firm asking for specification and details of the machinery. He, however, considers that it is not worthwhile prolonging the matter further with fresh correspondence.

5. It is submitted that the recommendations of the Industrial Engineer and the Director may be accepted. It is likely that if the sale is not confirmed now we may not have such a good offer hereafter. If the Bombay Co. had been very keen they would surely have sent a representative to see the machinery

6. A draft O.M. is submitted for approval. The Govt. Solicitor may also be asked whether he had received a copy of the High Court's order referred to at A on page 41 above. The Collr. of Bellary may also be asked to watch the partition suit filed against Mr Ramanna and report to Government from time to time. The D.I. states that if the partition suit is decreed against Mr. Ramanna and in favour of the minors the Govt. will have to be content with about Rs. 15.000.

[From the Govt Solicitor No. 1961 dt 8.10.30]

A.S.

Please see the letter from the Govt Solicitor at p 105 c/c, forwarding a copy of Mr. Justice Reddy's order passed on the subject of arbitration between the New India Assurance Co Ltd and Muthiala Ramanna.

2. Attention is solicited to the Govt Solicitor's letter dated 27.5.30 at p 149 c/c, in which he states that he would watch the suit instituted by Mr Ramanna against the Insurance Co and advise the Govt in due course. It is submitted he may now be asked to state what the progress of the suit is. A draft is submitted for approval.

15.10.30 RR 17.10.

p 17 R c/c [Minutes o.m. No 3286 II/28-29 dt 17.10.30]
[From the Govt Solicitor No 2139 dated 30.10.30]
p 174 c/c

A.S.

Please see the Govt Solicitor's reply at p 174 c/c. He states that Mr. K.S. Shetty Principal and Supdt of O.T. Lee Chendalvanasa Naickers Technical Institute was key witness of the parties at the arbitrator to assess [illegible] Mr Ramanna

letter may be communicated to the Dir of Industries for information and that the Govt Solicitor may be asked to obtain and send to the Dir of Industries a copy of the award of the Arbitrator immediately it is received by the High Court. A draft is submitted for approval (Phase of O.M. at p 12 ante).

D.A.
16.11.30.

RC
17.11.

O.M. to the D.J. that No 3286 II/28.25 dt 6.11.30 — pp 175 C.F.
From the D.J.; No 115 II/30 dt 17-11-30. — pp 176-177 C.F.
To Asst. Secretary

Please see the D.J's letter at pp 176-177 C.F. The defence of the Suit may be sanctioned.

2. The Govt. Pleader Bellary has prepared a written statement to be filed before the Listner Munsiff's Court Bellary and the same has been approved by the Govt. Pleader Madras with slight modifications. ~~The modifications~~ The D.J. has ~~also~~ made few pencil amendments in the written statements. The statement as amended by the Govt Pleader Madras and the D.J. — pp 182-184 C.F. — pp 186 C.F. — pp 182-184 C.F.

381

3 A draft memo is Submitted for approva

18-11-30.

18/11.

18/11

M3 18/11

18/11

Telephone message

From the Director of Industries, to the Under Secretary to Government, Development department, dated 18th August 1931 :-

The Government Solicitor requires the mortgage deed in original executed by Muthyala Seenappa Ramanna of Bellary Match factory in connection with the arbitration suit pending in the High Court. As the Government Solicitor desires to have the deed in the course of the day as he may have to produce it in Court I request that the deed may be caused to be sent direct to the Government Pleader.

Development department.

To Under Secretary

Please see the T.M. above from the D.I. The original mortgage deed is placed below at (X). It may be sent to the Government Pleader. A draft O.M. is submitted for approval.

M.K.V.- 18-8-31
S.A.R.- 18-8-1931

O.P.R.
18-8-1931.

(O.M.No. 3286 II/28-27, d/ 18-8-31).

C.No. 3025 II. From Muthyala Seenappa Ramanna

C.No. 3053 II. From the Director of Industries, No. 115-A/30, dated 17th October 1931.

To Under Secretary.

Please see the petition from Muthyala Ramanna

Recovery of a loan granted to one Muthyala Seenappa Ramanna of Bellary under the State Aid to Industries Act. In G.O.No. 1320 Dev., dated 25-8-1927, the party was granted a loan of Rs. 20,000 for working his safety match factory at Bellary. The loan was repayable in twenty annual instalments, the first instalment being payable on the 1st October 1928. Ramanna had insured the factory first for Rs. 25,000 and then for Rs. 45,000.

3. For various reasons, the factory did not work properly and was closed for a time and it was reported to have sustained a loss. Ramanna therefore requested that the repayment of the first instalment might be postponed for a year. In the meantime an advertisement appeared in the Hindu offering the Match factory for sale. On enquiry, it was reported that the factory had caught fire and that Ramanna had claimed damages -- amounting to Rs. 29,800 from the New India Assurance Company. He was also suspected to have been responsible for the fire in the factory. The Government thereupon consulted the Advocate General, and on his advice the Director of Industries was requested to demand fresh security for the debt from Ramanna and, if no satisfactory security was offered within a fortnight, to proceed upon the mortgage deed. The Director was also subsequently asked to issue another notice demanding payment of the loan within three months. A notice was thereupon served upon him. Ramanna represented that his claim from the Insurance Company was being referred to an arbitrator and that he would repay the loan as soon as the matter was settled. He therefore requested that action against him might be postponed.

4. Ramanna not having

consultation with the Collector of Bellary, arranged for the sale of the mortgaged property through a local firm. In the meantime, the wife of Ramanna, on behalf of her minor sons, had given notice of a suit for the partition of Ramanna's property. The Government Solicitor having advised that it would be preferable to wait for the results of the arbitration the Director of Industries was asked to postpone the sale of the machinery until the award was passed and the Government Pleader, Madras, was requested to watch the progress of the arbitration proceedings. The Government also decided to await the result of the threatened suit.

5. The Government Pleader reported that two arbitrators had been appointed, one by Ramanna and the other by the Insurance Company, and that as they could not agree the High Court appointed an umpire at the request of the parties. The Government Pleader was thereupon requested to obtain a copy of the award and forward it to Government. The umpire awarded a compensation of Rs. 7,673-10-6 but Ramanna disputed it and applied to the High Court to set aside the award. The Government Solicitor was then asked to watch the appeal and to communicate the orders of the High Court thereon. Mr. Justice Eddy set aside the award of the umpire on the ground of legal misconduct of the arbitrator and the umpire. Ramanna thereupon filed a suit in the High Court to recover the damages from the Insurance Company. In view of the fact that delay would occur if the result of the suit was awaited, the Government Solicitor advised that the properties should

accordingly. The Government Solicitor was also asked to watch the progress of the suit filed by Ramanna against the Insurance Company.

6. On the 26th July 1930, two days before the date fixed for the sale, on an application from the wife of Ramanna, the District Munsif, Bellary, passed an injunction order restraining Government from selling 2/3rds of the land and building and permitting the sale of the machinery. The machinery alone were therefore offered for sale and were sold for Rs. 4,500. The sale was accepted by Government and the Collector of Bellary was asked to watch the partition suit against Ramanna, the defence of which suit was also subsequently sanctioned.

7. The Director of Industries now reports that Messrs. Zackeria Sait of Bellary who sold the machinery by auction for Rs. 4,500 have charged a commission of Rs. 735. It will be seen from the Bill of charges furnished by them, at page 225 c.f.. that the Company have charged a commission of Rs. 600 on the land and buildings which were advertised for sale but not sold. Mr. Appadurai Pillai as Director offered them Rs. 516, Rs. 135 for the sale of the machinery and Rs. 381 for the lands and buildings which were then valued at Rs. 12,700. But the Company which had retained Rs. 735 refused to return the balance. The Government Solicitor who was consulted is of opinion that the auctioneers would be entitled to at least Rs. 535 on the whole but that the offer made by the D.I. Mr. Appadurai Pillai

excess commission retained by the firm. It is for orders as to what amount the firm may be allowed to retain and whether the Government Solicitor may be asked to advise regarding the recovery of the balance, if any.

8. The suit filed by Ramanna against the Insurance Company came up before Justice Venkatasubba Rao for hearing, and he with the consent of the parties appointed Mr. K.S.Shetty, Principal and Superintendent of the Lee Chengalvaroya Naicker's Technical Institute as arbitrator to assess the damages sustained by the plaintiff (Ramanna) as a consequence of the fire. On receipt of the award the High Court passed a decree for Rs. 20,477-10-6, exclusive of interest at 6 per cent per annum from the date of the fire. The defendant was allowed to ~~retain~~ retain Rs. 750 due in respect of the costs of the first arbitration proceedings, and the balance was ordered to be paid to the Government Solicitor

9. According to the account furnished by the D.I. Ramanna owed to Government Rs. 23,836-4-11 while the amount of the award including interest was Rs. 24,153-6-3 If this amount is adopted the balance due to Government will be Rs. 23,836- 4-11 minus

- 23,403- 6- 3 (subtracting Rs. 750 due to defdnt referred to in para 8 above from decree amount)

---------- or 432-14-8

Against this amount there is a sum of Rs. 600 retained by the auctioneers. If Rs. 432 and odd is realised there will be no further claim against Ramanna. In that case there will be no need for Government to trouble themselves about the suit filed by Ramanna's minor sons against Ramanna. For orders.

P. 222 cf. (WD's letter) paragraph 1 & paras 2+3.

24 CF

24, p 222 CF. see

X on pages 231-232 CF

CF p 234

453-6-3
750
23403-6-3

Athaswai P. Mai offered Rs 516/- & the Govt Solicitor estimates their charges at ~~Rs 335/-~~ Rs 335/- Acc to the Govt Solicitor Lachmaiah said it will have to refund Rs 600/- in connection with the recovery of this amount that he has to order in

represents that he had to spend about Rs. 10,000 towards the conduct of the various legal proceedings connected with his claim against the Insurance Company, that he is therefore unable to pay the full amount of the loan with interest and requests Government to grant him some relief and at least to remit the interest on the principal amount of the loan. ~~Xxxxxx~~ The Director does not recommend the grant of the request. For orders.

Kr
7-12-31.

7.12.31

In this petition to the W.O. at Pp 239-246, Ramanna pours forth his woes and represents amongst other things that as the Govt have already realized Rs 4500 x odd by the sale of the machinery (not taking into account the disputed Commission to Lachaiah Sett) he urges to be permitted to pay only Rs 10 000/- in full equation of his liabilities to Govt. The W.O. has not considered this representation possibly under the impression that the terms offered by Ramanna were unsatisfactory. P. 246

Meanwhile Ramanna has sent another petn to HHMB (Pp 203-219 cf) and bears that from the records stated particularly at P 212 cf, the Govt might be pleased to at least remit the interest of Rs.

P. 212 cf

page 23607 ~~[illegible]~~. According to the calculations of the D.D., which the Govt Solicitor accepts as more or less correct Ramanna would ~~state~~ have to pay to Govt after the entire amount of the decree with interest etc is credited to Govt a sum of Rs 432-14-8. This amount is caused by the vexed question of the commission etc to be pd. to Zachariah Sait.

page 22309

para 9 - page 50 ante

Please see para 5 at P 223 ef for the subsidiary question of the suit filed by Ramanna's mother against Ramanna in the Court of the Dist Munsiff Bellary & its implications to Govt.

SDe
16/12.

S

Zachariah Sait seems to have received an excess of Rs 400 as commission. This seems incorrect except on a strict

para 7 - page 49 ante & para 9 - page 50 ante

2 Ramanna has to pay Rs 432 to Govt If Zachariah Sait [illegible] Rs 400 it will be an act

para 9 - page 50 ante & ors

3. It seems to be best for the Govt to retain the Rs 432 crores due from Karnataka & to deduct the same 1 year recovery from Karnataka. The Govt will then have nothing to do with the dispute b/w Karnataka and Sons. Govt have recovered (X) ~~[illegible]~~ very nearly the whole of the amount due to them.

Finance Minister

16.12.81

(X) Not yet actually received — R on page 223

Before 21/12

Dev. No. 3286-11/28-2
16.12.81

18 DEC 1981
FINANCE DEPT.

40437 Acts
18-12-81

PTO

(Please see from page 47 above).

In 1927 a loan of Rs 20,000 was given to Mr. Ramanna of Bellary, under the State Aid to Industries Act, for a match factory.

After deducting Rs 3,765 realised by Govt. in September 1930 by the sale of machinery and charging penal interest at 10 per cent per annum on the outstanding amounts, the total amount (principal and interest) due to Govt. up to 31-10-31, as calculated by the Director of Industries is Rs 23,836.

If the ordinary rate of 6½ per cent is allowed, the amount due to Govt. is Rs 21,856 only.

2. Against the sum of Rs 23,836 due to Govt. according to the Director recovery of Rs 23,403 can now be made — this amount represents the payment by the New India Assurance Company to Mr. Ramanna (the High Court has directed the payment of this sum to the Govt. Solicitor).

The balance due for recovery from Mr. Ramanna is then Rs 433.

3. Against the above balance, a sum of about Rs 400 is now irregularly retained as commission by the auctioneers - Messrs. Zakeria Zait of Bellary - who sold the machinery in Ramanna's match factory on behalf of Govt; but this seems irrecoverable except on a suit.

4. Devt. propose:--

(1) that the balance of Rs 433 due from Mr. Ramanna may be written off, the question of recovering the amount from the auctioneers being dropped; and

(2) that Govt. need no longer be a defendant in the suit filed by Mr. Ramanna's minor sons against him in respect of his property including the match factory mortgaged as security for the Govt. loan.

Submitted that the proposals may be agreed to.

UNDER SECRETARY TO GOVERNMENT
X3 JAN 1932
DEVELOPMENT

Dev. 46-11
4-1-32

To A.S.

The finance department have agreed to the ~~proposal~~ proposal

(i) to write off the balance of Rs 432-14-8 ~~and~~ due from Mr. Ramanna; ~~and~~

(ii) to drop the question of recovering from the auctioneers the excess amount retained by them and

(iii) not to proceed with the defence of ~~to leave off defending~~ the suit filed against Ramanna by his Minor Sons. Submitted that orders may be issued accordingly.

P.54 sup

P.261. cf.

In his letter No. 15.12.31 since received the W.S states that the suit filed by the minor sons of Mr. Ramanna has been dismissed by the Dist. Munsif, Bellary owing to the absence of the plaintiff and that the Govt. Pleader's petition for costs was disallowed on account of this application for adjournment which was rejected. The W.S. further states that the Govt. Solicitor is of opinion that the costs incurred by Govt in defending the

P.262. cf

may be recovered from Mr. Ramanna and that he has asked him (the D.O) to prefer a formal demand for it. In view of the fact that it is proposed to write off even the balance of the loan due by Ramanna it does not appear necessary to press the claim for the recovery of the costs incurred by Govt in defending the suit filed by the minor sons of Ramanna for orders.

The amount of costs is not stated. A formal demand may be made by the D.O. Action on this amount may wait till a reply is received.
RC
15.6.32

With refce to his petition to Govt at pp. 203-213 C.F. Muthayala Ramanna may be informed that the Govt are unable to comply with his request.

pp 203-213 CF

Before passing orders on the case the D.O may be asked whether the amount decreed in favour of Ramanna against the insurance company has been realised. Draft O.M to D.O is submitted for approval

Sd/-
5.10

penal interest, would have included Rs. 2000 in their claim. As about Rs 433 of the loan & interest was written off, the recovery of the amount of costs ~~[illegible]~~ not awarded by the Court seems not to justify further pressure.

The file with the circulation on receipt of S.O., reply to the O.M. now put

SM
15.7.32

[O.M. to W.D. No. 3286-II/28-28, W.D. 15.1.32] P. 263. CF

[Letter from the W.D. No. 57-A/2, W.D. 16.2.32] PP. 264-266

To AS.

Please see the O.M. to the W.D. at P. 263. CF and the W.D.'s reply thereto with its enclosures at PP. 264-266. CF. PP. 263-266. C

The W.D. states that the sum of Rs 19,90,12-11 received from the Great Solicitor is being credited into the Bank and that for the recovery of the balance due from Hamanna, he is asking the P.M.O. to see whether there are any other [illegible] P. 264. CF

P. 265. CF

2) In his letter to the W.D. No. 3010 dt. 28.10.31, the Govt. Solicitor reported that a decree for Rs 20477-10-6 was passed in favour of the plaintiff that the amount was to carry interest at the rate of 1% per annum from the date of the suit and that the insurance Company was permitted to retain from the above a sum of Rs 750/- due to them in respect of the costs of the first arbitration proceedings.

According to this decree, the insurance Company should pay Rs 23,403-6-3 as shown below:

Principal amount decreed.	Rs 20477-10-6
Interest from 5.11.28 to date of suit.	3675-11-9
Total	Rs. 24153-6-3
Minus the sum permitted to be retained by the Company	Rs 750-0-0
Net due —	Rs. 23403-6-3

But it is seen from the W.D's letter under reference that only a sum of Rs 19,590-12-10 has been received. The working shown in Messrs Shant Benes & companys letter to the Govt Solicitor dt 27-1-1932 is not intelligible. It is submitted that the W.D. may be

on this point with copies of judgment and decree in question. The question of recovering the balance from Ramanna may be considered on receipt of the D.'s reply.

The draft O.M. below is for approval.

ker
20.2.32

What about the costs referred to in my note on p. 56. c

R. R.
23.2.32

To A.S.

With reference to Assistant Secy's query above it is submitted that the former Secy. was of opinion that the recovery of the amount of costs not awarded by the court need not be further ~~pressed~~ pursued.

Vide A-41.P.S. supra. For orders whether the draft on the bank may issue.

ker
25.2.32

JAR
26.2.32

Issue

RR
26.2.32

[D.M. No. 3286 E/28.29 of 26.2.32]

p 26/2

C.No. 17981. From the D.R., No. 59 A1 32

To Asst. Secy.

A at p. 222 cf.

In his letter dated 17th November 1931, the Director of Industries reported that a decree for Rs. 20,477-10-6 was passed in favour of Muthyala Seenappa Ramanna, that this amount was to carry interest at 6 per cent per annum and that if the sum together with the interest were to be adjusted towards the arrears due to the Government which then amounted to Rs. 23,836-4-11 there would be a balance of Rs. 432-14-8 still to be recovered from the party.

X at p. 231 cf.

A at p. 236 cf.

D at p. 223 cf.

The points for orders then were :-

(i) whether any steps need be taken to recove the anticipated balance of Rs. 432-14-8 ;

(ii) whether the question of recovering the excess amount retained by the auctioneers (Rs. 400) need be pursued ; and

Ins. 3 at p. 222 cf.

(iii) whether the Government should defend the suit filed against Seenappa Ramanna by his minor sons.

B at p. 223 cf.

The then Secretary suggested that the sum of Rs. 432 and odd might be written off, that the question of the recovery of the excess amount retained by the auctioneers might be dropped and that the suit filed by the minor sons against Ramanna need not be defended by Government. The Finance department accepted these conclusions. Vide page 54 supra.

P. 53 supra

2. In a subsequent letter dated 15th December 1931 the Director reported that the suit filed by

PP. 261 & 262 cf.

disallowed the costs incurred by the Government in defending the suit. The then Secretary proposed that the recovery of the costs not awarded by the Court need not be pursued.

3. It will be seen from the statement appended to the Director's letter at pages 277 & 278 c.f. that the total amount due from Ramanna up to 22nd March 1932 comes to Rs. 28,182-8-1 as shown below including interest :-

Principal	20,000- 0-0
Simple interest	2,053-2-7
Penal interest	6,129-5-6
	28,182-8-1

Out of this, a sum of Rs. 23,492-14-10 was realised so far from the Insurance company and by the sale of the machinery and there is a balance of Rs. 1,689-9-3. There is however a sum of Rs. 3,174-5-4 due under the decree which has been withheld by the insurance company as they propose to contest it. The Director reports that the sum still due from the Insurance company according to the Court's decree is Rs. 5,549-14-0 including interest and that even if the appeal filed by the Company is rejected and the amount adjusted towards t... arrears there will still be a balance of Rs. 1140 to be collected from Ramanna.

4. The points on which the Director wants orders are :-

(i) whether the bala... of the money due

Bal p. 276 SF
A at p. 57 ...

P. 278 SF

M. 15244-12-1
65-10-8
1495-10-7
2823-6-2
71-7-4
3207-8-0
537-8-10
23492-14-10

X B at P. 278 SF
+ B at P. 266 SF

X on 22.3.32.
M at P. 277 SF.

A at P. 27... SF

paid to the Government on the latter undertaking to refund the same to the Co: in case the appeal is ~~rejected~~ successful;

(ii) whether the Director may take action against the auctioneers for the recovery of the excess amount retained by them.

As the amount due from Ramanna is larger than was expected orders are requested -

(i) whether the costs incurred by Govt. in defending the suit against Ramanna by his minor sons may be recovered ; and

(ii) whether the Director may be asked to report if any one is likely to purchase ~~the one-third portion of~~ the land and buildings referred to in the Director's letter dated 16th February 1932 ; or

(iii) whether the disposal of the appeal may be awaited before taking action for the recovery of the balance.

, the Govt may give the permission to the Ins. Co. and let the amount they [illegible] to clear with the Court.

The AI may be asked to take action against the auctioneers.

The question of necessary costs of such permission need not perhaps be pursued

DI. may take action as at A.

17/6/32 S

SCA 18/6

To AS.

To Asst. Secy.

Please see the petition from Mr. Muthyala Seenappa Ramanna at page 281 c.f. and H.M.'s orders thereon.

2. The orghnal petition from Mr. Ramanna was examined in the notes at pages 46-52 supra. The then Secretary was of opinion that that the balance of Rs. 402 and odd then reported to be due from the party might be written off and Finance agreed to it. But further enquiry showed that there was still a balance of Rs. 4689-9-3 as worked out at pages 277 and 278 c.f. In the O.M. dated 27-7-1932, the D.I. was accordingly asked :-

(i) to take over from Messrs. Short Bewes and Co the balance of the money due under the decree giving them an undertaking on behalf of Government that the amount would be refunded to them in case they succeed ed in their appeal ;

(ii) to take such steps as the Government Solicitor might advise to recover from Messrs. Zackaria Sait and Sons of Bellary the sum of Rs. 400 retained by them in excess as commission ; and

(iii) to ascertain and report whether any one is likely to purchase the land and buildings mortgaged to Government by Mr. Ramanna.

The Director's reply to the O.M. is awaited.

In his present petition Mr. Ramanna requests that the interest on the loan or at least the uncollected portion may be remitted. The uncollected balance up to 22-3-1932 was Rs. 4,689-9-3 and the amount adjusted towards the interest on the loan up to that date was Rs. 8,182-8-1 as shown below :

For orders whether the petitioner's request to waive the recovery of the balance of the loan due from him (Rs. 4.689-9-3) will be complied with.

RR
19.8.52 S

FAR
19.8.52

It had already been agreed to write off the sum of Rs. 430 to Ramanna (about) when the balance due was larger ~~another~~ because the credit anticipated for payment by the Insurance Co. turned out to be less than was expected (by over Rs 4000) Even so still there is a contingent Rs 3000 as soft corner from the Insurance Co. leaving only about Rs 1100. It seems true that no further claim can be made against Ramanna on the ground that payments from the Insurance Co were below expectation, and that all we need do now is to await result of the appeal and then receive what is eventually awarded.

A

B

The Petr may be informed that no further claim will be made against him. The balance, if any arises, and ~~Rs~~ on account of penal interest, on the circumstances of the case and I think such is to justify the waiver of penal interest

Do Fin. agree

S
20/9

page 54 ante

of para 3 - page 110

21 SEP 1952

Finance (Accounts).

Please see the previous note of this department on page 54 above and the Development Department's notes on pp.60-64 ante.

2. The amount of Rs 4,689-9-3 referred to by Devt. as due to Govt. from Mr.Ramanna is only up to the 22nd March 1932. Charging interest on this amount at the penal rates of 10 per cent, the amount due at the end of Septr 1932 will be Rs 4,936.

If instead of the penal rate of 10 per cent, the ordinary rate of 6½% only is charged in respect of the overdue amounts from time to time since the grant of the loan in 1927, the amount outstanding at the end of September 1932 will be reduced to Rs 2,573.

(Note:- Both the above figures exclude the cost to Govt. by way of fees to the Govt.Pleader in the suit filed by the minor sons of Ramanna.)

3. Similarly, the balance of the decree amount (with interest at 6 %) due from the Insurance Company to Mr.Ramanna (upto the end of Septr.1932) is Rs 3,662; and if this is paid to the credit of Govt., it may be deemed that all dues have been recovered.

4. The question, however, arises as to what should be done in the event of the Insurance Company succeeding in its appeal against the above decree amount and the Govt. consequently not getting the amount.

The Devt. Secretary suggests that as the amount now outstanding from Mr.Ramanna has arisen only on account of penal interest, its recovery

amount is due to the levy of penal interest at 10 per cent. There is no reason why the ordinary rate of 6¼ per cent at least should not be charged on the overdues from time to time. If this is done the amount due to Govt. will be Rs 2.573 (besides court costs), which need not be written off, unless unrecoverable.

5. The Director of Industries has been asked to report on the feasibility of recovering Rs 400 from the auctioneers at Bellary and of selling Mr. Ramanna's land and buildings mortgaged to Govt. This report may be awaited.

If the sale of Mr. Ramanna's land and buildings is feasible ~~but~~ and yet it is considered that it will be a hardship to actually sell them now, such sale may perhaps be postponed till the result of the appeal preferred by the Insurance Company is known.

24.9.32

27.9.32

S

1.10

Ir

Ir no. 29276 Aud
1. C

CNO 30687-II. From the Director of Industries No. 57-A/32, dated 6.10.3

ASSISTANT SECRETARY TO GOVT
3-OCT 1932

Dr. 2989 II
3.10.32

Development department.

To Asst. Secy.

Please see the Finance department note above.

2. With reference to Secretary's remarks at A on page 64 above the Finance department state that the amount due from Ramanna with penal interest at 10 per cent up to the end of September 1932 will be Rs. 4,936 while if only ordinary interest at 6½ per cent is charged the amount due will be Rs. 2,573. They consider that this amount need not be written off unless irrecoverable until it is known whether the Insurance Company succeeds in its appeal or not. If the Company is not successful in the appeal, they are agreeable to the write off. Else they consider that the amount should not be written off. In the circumstances it is for orders whether the result of the appeal may be awaited or whether in view of the losses said to have been sustained by Ramanna in the venture the amount may be written off at once irrespective of the result of the appeal. If the latter is agreed to there would appear to be no necessity to sell the land and buildings mortgaged to Government by Ramanna.

para 2, p. 65 supra

para 4, pp 65-66 supra

A

para 3, p. 65 supra

3. If it is decided not to write off the amount pending the result of the appeal no communication need be sent to Ramanna at this stage.

4. As regards the recovery of the excess commission retained by the auctioneers at Bellary, the Director of Industries has, on the advice of the Government Solicitor, sent a draft notice to be

286 GP

signed by the Secretary. The number of days within which payment is demanded has to be filled in in the notice. The Director recommends that a period of 15 days will suffice. Submitted that the recommendation may be accepted. The word 'fifteen' may kindly be inserted by the Secretary at the place marked with (x).

Done
Sen

The file may be sent to MS

RC
17.10.32 S.

Sen
18/10

MS

Please see A page 67 above
The note says that if the Company is not successful in the appeal Finance are agreeable to the write off. Is this correct? I think it must be just the other way. not is probably a mistake.

SB
26/11

C.No. 35932-II. From the AT, No. 87-A132
dt 15-11-32

To AS.

With refce to H.M.M's minuting on p. 68 above it is submitted that the statement at A on p. 67 supra referred to by H.M. is correct. It is explained below:

on p. 266. CF

Out of the sum of Rs 22902-4-2 awarded by the Court to the plaintiff (Viz) Muthyala Ramanna in his suit against the Insurance company the Co., withheld a sum of Rs 3174-5-4 and appealed against the award of that portion of the amount. If the Insurance company is not successful in its appeal in regard to the above sum the company will have to pay the ~~Sam~~ sum to Govt. with interest in all amounting to Rs 3662 up to the end of September 1932. The Finance Dept have stated that, if this sum is paid, it may be deemed that all dues have been recovered. Which is to say that the balance due from Mr. Muthyala Ramanna, after adjusting the above sum may be written off. It is this that was

B. on p. 266. CF

at p. 276. CF.

B. of the fin. note p. 65 supra.

Do.

2. ~~As regards the orders~~

In para 1 of Govt. Memo. on p. 279. CF that the W.D. was asked ~~should~~ to instruct the Govt Solicitor to take over from Messrs Short Benes and Co., the balance of the money due under the decree and to give an undertaking on behalf of Govt that the amount will be refunded to them in case they succeeded in their appeal. The W.D. reports that according to the desire of Messrs Short Benes and Co., the Govt. Solicitor may be authorised to undertake on behalf of Govt ~~to do so~~ to make good all additional expenses (if any) which the Company may incur in obtaining the refund of the amount from Govt. Submitted that this may be done. After orders are passed a consolidated O.M. to the W.D will be put up

PP 281

A on p. 281 CF

yes
25/11

18-11-32

20-11-32

Cured. on 24-11-
Rectd. 25-11-32

24/4

Mr we shall accept the Finance view about the wire of

PP 65-66

TO AS.

A draft O.M. to the R.D. is Submitted below for approval

25.11.32

26.11.32

Issue
26/11

TO AS.

Please see the petition from Messrs Zaekria Sait & Sons on pp. 296 and 297e

P. 296 & 297. cf

The circumstances which led to the issue of the notice referred to in the petition are as follows:-

P. 158. cf

The Govt utilised the services of Messrs Zaekria Sait & Sons to Conduct the sale of the Match Factory accepting the terms demanded by them which were as shown under:

1) to pay 3 per cent commission if the Match Factory was sold or

2) to pay Rs 200/- to meet the advertisement charges, if it was not sold

Before the date fixed for the sale, the District Munsif, Bellary issued an injunction order restraining the auctioneers from selling 2/3 rds of the land and Buildings

R. on P. 158. cf

Rs 376·5/- retaining Rs 735/- as Commission Mr. Appadurai Pillai the then R-9. Considered that the auctioneers were entitled ~~for~~ to a commission of Rs 516/- and he accordingly requested the auctioneers to remit the balance of Rs 219/- The auctio...rs were not inclined to remit ~~even~~ it The details given by the auctioneers for the sum of Rs 735 retained by them as commission are as follows:- L on p. 221. cf. K on p. 221. cf M on p. 221. cf

1) Commission at 3% on Rs 20,000 the minimum valuation of Buildings	Rs 600
2) Commission at 3% on Rs 4500/- realised by the sale of Machinery	135
Total	735

A on p. 226. cf

200 (advertising charges)
+ 135
335
Excess 400

The Govt. Solicitor who was consulted by the R-9, ~~stated~~ was of opinion that the auctioneers would be entitled at best to the consolidated sum of Rs 200 fixed in the contract in addition to their commission on the sale proceeds of the Machinery He also stated that the attempts made M on p. 229. cf

K on p. 221. cf

in respect of the attempted sale of the buildings would probably complicate matters to a certain extent if Civil proceedings were to be taken for the recovery of the amount unauthorisedly retained by the auctioneers. Thereupon the W.S. requested the Govt. as to whether he might take steps as the Govt. Solicitor might advise to recover the balance from the auctioneers. In O.M. No. 3285-11/28-30 dt. 27.7.32 the Govt. directed the W.S. to take steps in consultation with the Govt. Solicitor for the recovery of Rs 400/- retained by the auctioneers in excess. In view of this order the W.S. forwarded to Govt. the draft notice prepared by the Govt. Solicitor. This notice was signed by Secy and returned to the W.S. on 26.11.32 for service on the auctioneers. It is with refce to this notice that the auctioneers have put in the petition under refce.

It is submitted that the

T. on p. 222. cf

B. on p. 279. cf

p. 286 & 287. cf

p. 288. cf

p. 292. cf

p. 296 & 297. cf

forward any new points for the consideration of ~~the~~ Govt.
They may be informed that the Govt are unable to reconsider the orders already passed
Subject to approval a draft endorsement is submitted

ker
22.12.32. 22/12

24/12

The claim to commission on the value of property not sold seems inexplicable. What is issue

3/1

cised. on 3-1-33
Retd. 9-1-33
M. Cinc
on
4-1-33

24/3 3/1

To Secy

Please see the Govt's letter on pp. 300 & 301 CF. The circumstances in which Messrs Zaccria Saut and Sons happened to retain a sum of Rs 600 over and above the commission amount due to them have been summarised in the note on pp. 71-74 supra.

In view of the Govt. Scholar

R on p. 220

by offering a sum of Rs 381/- in respect of the attempted sale of the buildings ~~[illegible]~~ might complicate matters to a certain extent if civil proceedings ~~for~~ were resorted to, for the recovery of the amount unauthorisedly retained by the Auctioneers it is for orders whether the Govt will agree with the Min's view to drop further proceedings in the matter.

On p.301 CF

PN
22.

bm
22.3.

The previous D.of I. seems to have made a blunder.

Further proceedings may perhaps be dropped

Sw
23/3

Fin

Fin No. 3286-II/28-34
23-3-33

9217 Accts.
24.3.33

Finance (Accounts)

(Finance noted last on pp.65-66 ante).

In connection with the sale of the Bellary Match Factory, the Government utilised the services of Messrs Zackaria Sait and Sons on the following terms:--

page 153C-7

(1) to pay 3 per cent commission if the factory was sold; or

They sold the machinery alone for Rs 4,500, ~~but~~ the sale of land etc. being stopped by an injunction order of the Bellary District Munsif. They retained Rs 735 towards commission and paid Rs 3,765 only to Government. Details of commission as per the terms of contract, as allowed by the previous Director and as retained by the auctioneers are shown under:--

	As per terms of contract.	As allowed by the previous Director.	As retained by the auctioneers.	Difference	
				Col.4 minus Col.2	Col.4 minus Col.3
1	2	3	4	5	6
	Rs. (Pages 228-229 C7)	Rs. (Page 227 C7)	Rs. (Page 225 C7)	Rs.	Rs.
(i) Land & Buildings (not sold)	200 (advertisement charges)	381 (3% on Rs 12,700- Value of buildings and site)	600 (3% on Rs 20,000 minimum value of buildings)	400	219
(ii) Machinery (sold)	135	135	135		
Total	335	516	735	400	219

219

It will be seen that the amount of Rs 735 retained by the auctioneers ~~was in excess~~ exceeded by Rs 400 [redacted] the amount due to them according to the terms of the contract. In reply to a notice issued to them [redacted] asking them to pay this sum of Rs 400, they have stated that the claim for Rs 400 is unsustainable but have refunded Rs 219 based on the offer of the previous Director (~~page~~ columns 3 and 6 of the statement above). The balance still due is Rs 181. The offer of the previous Director was Rs 516 and included Rs 381 at 3 per cent on Rs 12,700 being the then value of the buildings and site.

Col (5) above

page 288 C7

page 301 C7

400 - 219 = 181

Col (3) above + Page 227 C7

when they were not actually sold. The Government Solicitor has, however, stated that the attempts made to compromise the matter by offering a sum of Rs 381 instead of Rs 200 for the attempted sale of buildings might complicate matters to a certain extent if civil proceedings were resorted to. Development consider that further proceedings in the matter may be dropped. This may, in the circumstances, be agreed to in this department.

2.4.33

4.4.33

S

54,

To Secy

Please see fin. note on pages 75-77 supra - A draft O.M. to the [illegible] is submitted below for approval

7.4.33

7/4

Des 1082-II
5-4-33

ASSISTANT SECRETARY TO GOVERNMENT
5 - APR 1933
DEVELOPMENT DEPARTMENT

To Asst. Secy

Please see the Memorandum from the Proprietor of the Bellary Match Fac... on p. 305 · CF The petition referred to is on pp 281 + 282 CF. The request of the petitioner in that petition was that the interest on the Principal amount should be remitted As however Jin raised objection to remitting the entire interest on the loan it was thought better not to give any definite reply to the petitioner at that stage. We are still in that stage The result of the Insurance Company's appeal in regard to the sum of Rs 3747-11-3 paid by them under protest is awaited Perhaps the petitioner may be informed that orders on his petition will issue when the results of the appeal preferred by the insurance

P. 305 · CF

P. 282 · CF read with P. 283 · CF

on p. 66 · supra summary of Board

on p. 67 · supra

P. 302 · CF

NO.

[illegible] 2/6/33

[Petition dt. 3.6.33 from Mr. Muthiala Ramanna]

To Hon'ble Secy.

Please see the proprietors reminder petition on p. 307 cf. (The reminder is dated 3rd. June) A reply to his reminder dt. 17.5.33. was despatched to him on 9.6.33. ~~A draft~~ ~~Endt. is~~ ~~submitted below for approval~~ No action on this reminder is hereby called for

ker 19.6.33 Vm 13/6 RR 13/6

To Hon'ble Secy

Please see Muthiyala Ramanna's petition and its enclosures on pp 308 to 313 cf ~~Submitted that~~ The firm's report on the result of the appeal preferred by the insurance company ~~may be~~ is still awaited. The firm ~~has been~~ was reminded last on 19.6.33. Submitted that the Govt Solicitor may be requested to obtain certified copies of the judgment & decree in the case and to send them. A draft D.M is submitted

P 307

P 308-313

P 306-31

P 302 cf

To Asst. Secy.

Please see Muthyala Ramanna's reminder card on p. 315. cf. With reference to his petition dt. 14.6.33 quoted in the reminder in question, the Govt have called for certified copies of judgments on the appeals referred to by him from the Govt. Solicitor. Final orders in the matter will be passed as soon as the copies called for are received. Submitted that the reminder under reference does not appear to call for a reply ~~Submitted with the~~

~~Comments~~ Send a reminder on 1.8.33.

ler 20.7.33 / 21.7

24.7.33.

To Asst. Secy.

Please see the letters from the Govt. Solicitor Madras, requesting payment of the cost of court fee stamps affixed to the applications

may be communicated to the D.S. for compliance direct. A draft endorsement is submitted below for approval

16.8.33
16.8.33

17.8.33

[Letter from the D.S. No. 595 A/33 D. 5-9-33]

To Asst. Secy

Please see the Dir's letter ~~on the CF~~ on pp. 328–336 CF

The appeals preferred by the Insurance Company in respect of the sum of Rs 3747-11-3 paid by them under protest have been dismissed – PP 322–326 CF

(B on p. 276 CF, A on p. 279 CF, C on p. 302 CF)

After adjusting the above amount towards the arrears due by Muthuvala Ramanna, the balance still due from him (on 7.3.33) is reported to be Rs 1162-9-3 – The Dir. submits for the consideration of Govt whether this amount may ~~be~~ not be written off – The Fin. Dept have already agreed that ~~the balance~~ ~~after~~ all dues may be deemed to have been recovered in the

S on p. 332

A on p. 330 CF

Para 3 on p. 65 [illegible]

Insurance Company is credited to Govt. - In the circumstances ~~the be~~ it is submitted that the Govt. may sanction the write-off of the balance of Rs 1162/- + odd still due

RL 15.7

2. The Dist. has also submitted the ~~Bill of the~~ Secretary Govt. pleaders Bill for Rs 701-13-0 for defending the suit filed by the wife and minor sons of Muthuala in the Bellary Munsiff's court. This suit was dismissed as the plaintiff ~~was not ready~~ did not appear in the court. In view of ~~the~~ an adjournment petition put in by Govt. the court disallowed Govt. pleaders petition "for costs". The Govt. pleaders claim of Rs 700/- in this case appears exorbitant. No copy of the judgment is available in the file to see the main issue in the case from the notice of suit sent by Muthuala's wife it will be seen that the main issue

Pleader's fee Rs 700
Stamps 1-8-0
Fee application 0-5-0
Rs 701-13-0

of the mortgage executed by Muthyala in favour of Govt.-

The Govt Pleader claims a fee of Rs 700/- apparently under Rules 37 (b) ~~and~~ read with rule 31 (b) taking the case as one for a declaration that the mortgage executed by Muthyala for Rs 20,000 was invalid. This does not ~~correctly~~ appear to represen the issue of the case correct. ~~Govt would not the loser even if the Suit was decided in favour of the plaintiffs~~. The Govt nor will also gained anything by defending the suit inasmuch as ~~the en all~~ almost the entire amount has been realised without resorting to the sale of the properties claimed by the plaintiffs in the Suit. Even if the Govt. Pleaders contention is accepted he will be eligible only ~~both~~ for one-half of the fee claimed by him as the suit was decided ex parte the ~~defendant not appearing entering~~ plaintiffs not being present ~~Appearance~~. Submitted that the Law (Genl) Dept may be requested to advise as to the fee to be paid

5% on Rs 5000/- = 250
3% - 15000 = 450

A-2 p 261 e
Rule 31 (d) of the Rules under the Legal Practitioners Act
p. 252 of the Rules & Orders
This rule not applicable

Orders on the question of write off may issue at once and the file then sent to Law (Gt) in regard to the payment of fees to the Govt Pleader.

RR
15.9.33

15/9

To Asst Secy.

A draft order sanctioning the write off of the balance is submitted below for approval. Submitted that the draft may perhaps issue after perusal by Fin.

RR
16.9.33

16.9.33

Ev. CAO. 3286-11/28-39
16.9.33

Finance (Accts)

Previous notes on pages 54, 65-66 & 75-77 ante.

The draft order may be passed and the case returned to Development.

26131 Acts
1878

2. The sum of Rs 1162-9-3 now due from Ramanna ~~and~~ which is proposed to be written off ~~[illegible]~~ is the result of charging penal interest at the rate of 10 per cent per annum on overdue instalments of the ordinary rate of 6½ per cent only as

Vide pages 328 & 332 ante

an excess payment to Govt of about Rs 1,329 (as on 7.3.33). This will ~~also~~ more than cover the expenditure to be incurred by Govt towards the fees of the Govt Pleader, Bellary. In the circumstances, as already noted, it may be deemed that all dues to Govt have been fully adjusted.

21.9.33

25.9.33

25.9.33

Dev

Fin no. 2619/Aud
28.9.33

To Asst Secy.

Please see fin. mins on pp. 84 & 85 supra. Fix orders whether the draft may now issue and the file sent to Law (Ept) in regard to the payment of fees to the Govt Pleader

D 2815-II
29.9.33

Yes This may be done

29.9.33

29.9.33

30/9

30/9

H.M.3

3/10

4/10

ASSISTANT SECRETARY TO GOVERNMENT
29 SEP 1933
DEVELOPMENT DEPARTMENT

To Asst. Secy

The G.O. writing off the balance due from Mr. Ramanna has issued. The file may now be sent to Law (Genl) for advice as to the fees to be paid to the Govt. pleader Bellary

ler
16.10.33

S.O.
16.10.33

19 OCT 1933
DEPARTMENT

Dev. no. 3082-11/33.1
17-10-33

17.10.33 Law (G.S)

D.S. 5155 B
19.X.33

Law (General) deptt

a.s.

The file has been sent to this deptt for advice as to the fees to be paid to the Govt. Pleader Bellary for his work in connection with O.S No 313 of 1930 on the file of the Dt. Munsif Bellary. The Govt. Pleader

p 333 CF. Bellary, claims Rs 700/-. Development considers

pp 82-83 and his claim exorbitant.

2 The Govt. Pleader has given a statement of the work done by him at pp 335-336 CF. It will be observed that he has 13 appearances in connection with the

3/ The Govt. Pleader's claim of Rs. 100/- is based on the ground that, though the suit was one of partition and was valued at Rs 5/-, the Govt had taken objection to the valuation and that a finding on the issue regarding valuation framed by the Court was not given, as the suit was dismissed for default. It is submitted that, until a decision as to valuation was given, the fee should be based upon the nature of the suit and amount of the value in the plaint. ~~According to it is~~

4/ The Govt. Pleader is eligible for the regulation fee under the rules. What the regulation fee for this case is is not known, in view of the fact that there is no copy of the plaint, judgment & decree, if any passed by the court, in the suit. The Govt Pleader says that the suit was framed as if it were a simple suit for partition and that it was valued for Rs 5/- thus rule 31(b) (i)(b (ii) of the rules framed by the High Court under the Legal Practitioners Act. The fee for the case would appear to be Rs 25/-, the minimum in the rule.

5 The Govt Pleader represents that

p 333 CJ
p 335 CJ

of rule 41 at p 2 of C.R.P. Vol I - 1930 edition not part
Quite so
CWO
15/11/33.

78-121-2F

cf para 2, p 82a

p 333 CJ

p 272 of CJ Vol I. not part

and analyse about 114 letters; and that he had to attend the court in connection with the suit for a period of over a year from 10.10.30 ~~7.2.31~~ to 11.11.31. He has ~~[illegible]~~ left the question of fees for the determination of the Director of Industries. The Director who should ~~[illegible]~~ be in a position to offer his remarks on the nature and quantity of the work done by the Govt Pleader and his recommendation as to the fees that may be paid for ~~the~~ work done has not, however, offered any remarks. Having regard to the ~~[illegible]~~ correspondence in this file, it does not appear that the G.P. can be said to have ~~[illegible]~~ ~~[illegible]~~ ~~[illegible]~~ in the preparation of the case goes. His work in Court was only small and formal. In the circumstances it seems that a fee of Rs 100/- will be sufficient. If, however it is considered that the recommendation of the Collector may be called for. Development may be asked to do so, ~~including~~ copies of the plaint, judgment & decree may also be called for: but it ~~[illegible]~~ is for consideration whether he will be in a position to appraise the work of the G.P. in the suit.

b The file may be returned to Dev

BR 15/11/33

W 11.33

Dev

On the materials

para 7, p336 CF

para 5, p330 CF

pp 335-336

copy of the plaint is found on pp. 178-181 CF

adequate. If deemed fit the Collector may be consulted

MO
15/11/33

Dev:

To Asst. Secy

Please see Law (Genl) note at pp 86-89 supra. That Dept. ~~appears~~ comments that on the materials given a sum of Rs 100/- would appear to be sufficient. It is submitted that ~~But~~ it would ~~appear~~ be better if the claim of the G.P. is ~~examined~~ examined with all the records referred to by the Law Dept ~~for orders whether the~~ and the Collector consulted before any decision is arrived at in the matter. Submitted that the Govt. Pleader may be asked to obtain copies of the judgment and decree in the case and submit them through the Collector of Bellary and the Collector of Bellary asked to examine ~~and report~~ the Govt. Pleader's claim for fees and report. A draft O.M. is submitted for approval.

21/11

LCR
20.11.33

d. 95155B-
16-11

Sec. 3494-II
17-11

ASSISTANT SECRETARY TO GOVERNMENT
17 NOV 1933
DEVELOPMENT DEPARTMENT

Sectt. II-5 (a)

DEPARTMENT.

	Date.	Initials.
When received for Fair-copying.		
When copied		
When examined		
When signed		
When despatched		

Industries — State Aid to Industries — Bellary Match Factory — Balance due from Muthyala Ramanna — Write off — Sanctioned

READ AGAIN G.O. No. 1320 Press, dated 25 · 8 · 1927. (Q)

" " " " " 19

READ ALSO: 3286-II/28. ~~(G.O. [illegible])~~ 100 A/24 Ind. 26 · 9 · 1928.

C. No. ~~2623-II/33~~ From the ~~Ind.~~, No. ~~595-A/33~~, dated ~~5 · 9 · 1933~~.

Letter from the Coll.r, Bellary to the Ind. No. B.2.5957/28 Ind. 13-11-1928.

" " 1804-I/33; " M.R.Ry. Muthyala Ramanna " Q.M/33 " 14-6-1933.

2623-II/33. Ind. 595-A/33 Ind. 5 · 9 · 1933

" " " " " " 19

ORDER.

MS.

No. 1221, dated 5 · 10 · 1933

The Govt. sanction the write off of the sum of Rs 1162-9-3 (Rs. one thousand one hundred and sixty two annas 9 pies 3) being the balance due from M.R.Ry. Muthyala Ramanna in respect of the loan sanctioned to him in G.O. No. 1320 Dev. Ind. 25.8.27. together with the interest due on the above sum ~~thereon~~ from 1-3-19.33

2) Orders regarding the fees to be paid to the Bellary Govt. Pleader will issue

(Q)

Vide ... on p. 332 CF.

Ad 7/10

~~1498~~
21495 Aud
12-1-34

ASSISTANT SECRETARY TO GOVERNMENT
12 JAN 1934
FINANCE DEPT.

Subject.

State aid to Industries--Bellary match Factory--~~Exam~~
Balance of loan--written off.--adjustment

Enclosures :—

FORT ST. GEORGE, MADRAS,

No. T1.Mis/542 *Dated the* 11th January *193* 4.

FROM

THE ACCOUNTANT-GENERAL,
(T.A.1 Section)
Madras,

TO

THE SECRETARY TO THE GOVERNMENT OF MADRAS.
Finance DEPARTMENT.

SIR,

With reference to G.O.No.1221 Ms. Dev., dated 5-10-1933 Communicated with Finance Endt. No.28714-Accts-1 dated 11-10-1933. I have the honour to state that the sum of Rs-1162-9-3 written off as irrecoverable. has been adjusted in the accounts of this office for December 1933 under the head "47-Miscellaneous--Provincial--Irrecoverable temporary loans written off--Transferred--

miscellaneous."

I have the honour to be,

Sir,

Your obedient servant,

Asstt. Accounts Officer.

R.S. 11/1

Endt No. 3173-11/34-1/D 1-2-34

Communicated to the D.I. for information

RR 1.2

31.1.

No to D.I.

5.2

Finance (Accts)

Ct. 1495 Acts. From the A.G. No. T.M.S/542 of 11.1.34

Subject:- Bellary Match Factory — Govt loan — Write-off — Adjustment.

Submitted that the A.G's letter in the current file may be sent to Development u.o. for information. ~~and action as proposed to the Secretary to Government in Finance Department~~

Sno' Budget-fasl. re: funds
16.1.34

16.1.34

19.1.34

16.1.34

AG,
Dev u.o.

29.1.34

Dev. Dept

Sno 1495 Acts
29.1.34

To Asst. Secy

Please see fin. note above. Fin. have taken a copy of the A.G's letter for taking further action. No action in this Dept. is called for. This may be lodged and filed with the G.O. ~~[illegible]~~ in which the write off of the amount has been sanctioned (1) (2) G.O. 1221-Dev. 5-10-33

Dev. 373-II
30-1-34

ASSISTANT SECRETARY TO GOVERNMENT
30 JAN 1934
DEVELOPMENT DEPARTMENT

Put up in another file

Shown not D.G. know?

30.1.34 31.1.34

31.1.34

pp is debited is not under D-T's control. However

minc a copy of the letter might be furnished to him

Please see the endt. on the D.G.'s letter.

6
31.1.

Since
DK
1.2

R.!

THIS INDENTURE made the 23rd day of September 1927 B e t w e e n MUTHYALA SEE NAPPA RAMANNA GARU son of Muthyala Seenappa residing at No. 1354 first ward Civil Lines Bellary and carrying on business under the name and style of Muthyala Seenappa Ramanna at Civil lines street Bellary herein after called the mortgagor (which term where the context so admits shall include his heirs executors administrators legal representatives and assigns) of the one part and the RIGHT HONOURABLE THE SECRETARY OF STATE FOR INDIA IN COUNCIL hereinafter called the mortgagee (which term where the context so admits shall include his successors and assigns) of the other part.

WHEREAS the mortgagor has applied under the provisions of the Madras State Aid to Industries Act 1922 to the Government of Madras for a loan of Rs. 20,000-0-0 to enable him to provide the working capital for the safety Match Factory conducted by him at Bellary and known as Muthyala Seenappa Ramanna Match Factory Bellary.

AND WHEREAS the mortgagee in pursuance of the provisions of such Act has agreed to lend the mortgagor the sum of Rs. 20,000/- payable on the execution of these presents on having the repayment thereof with interest thereon at the rate hereinafter mentioned secured in manner hereinafter appearing

NOW THIS INDENTURE WITNESSETH as follows:-

1. In consideration of the sum of Rs. 20,000/- now advanced and paid to the mortgagor (the receipt whereof the mortgagor doth hereby acknowledge) the mortgagor covenants with the mortgagee that the mortgagor will duly and punctually repay to the mortgagee at the Government Treasury at Bellary the said sum of Rs. 20,000/- with interest for the same at the rate of Rs. 6½ per cent per annum by twenty yearly payments compounded of principal and interest during the period of 20 years the first of such payments to be made on the 1st October

ments to be made on the 1st October

in each subsequent year until and inclusive of the year 1947 the first nineteen instalments of which to be Rs. 1815/- each and the twentieth Rs. 1817-8-0 simple interest at the rate of 6½ per cent per annum on the said sum of Rs. 20,000/- being payable for the period between the date hereof and the 1st day of October 1927 on the date when the said first instalment is payable

PROVIDED that the mortgagor shall be at liberty to repay at any time a larger sum than the said annual instalments in which case such excess repayment shall be credited in reduction of the principal the number of future instalments being if necessary reduced but the mortgagor shall not be entitled to any reduction in the amount of such instalments.

2. For the consideration aforesaid the mortgagor doth hereby firstly grant convey and assign unto the mortgagee ALL those pieces of parcels of land situate in the Village of Bellary in the sub-district of Bellary in the District of Bellary more particularly described in the first schedule hereto together with all buildings godowns trees commons hedges ditches fences ways waters watercourses liberties privileges casements and advantages and appertenances whatsoever to the said pieces or parcels of land and secondly the machinery plant and other property described in the second schedule hereto and other the machinery plant and other property that may be placed thereon in addition to or substitution therefor and all the beneficial interest and goodwill of the mortgagor in his business and the exclusive right to use or confer on others the right to the said style or trade name of Muthyala Seenappa Ramanna Match Factory AND also the full benefit of all contracts and engagements entered into by or with the mortgagor in respect of the said business and all capital profits and other moneys belonging to or to be received by the mortgagor in respect of the said business TO HAVE AND TO HOLD the said pieces or parcels

of land hereby granted conveyed and assigned unto the mortgagee for ever and To hold the said machinery plant goo will moneys and other property unto the mortagee absolutely subject to the proviso for redemption hereinafter contained

3. The mortgagor doth hereby covenant with the mortgagee that the mortgagor will apply the full amount of the money so advanced as aforesaid solely for the purposes set forth in the first recital hereto the satisfactio of the Director of Industries who shall be the sole Judge thereof and further that the mortgagor will as long as any money shall remain on the security of these presents keep the premises and buildings plant and machinery now existing or hereafter to be erected or placed on the said premises hereinafter expressed to be hereby granted and assigned in good and substantial repair and insured against loss or damage by fire in the sum of Rs. 25,000 and will duly and punctually pay the premia payable in respect thereof as they become due and payable it being hereby expressly agreed that in the event or failure to do so the mortgagee may pay the same the expenses so incurred being added to the principal sum due hereunder and recoverable accordingly AND will at al times during the subsistence of this security appoint and retain at his own expense a properly qualified man (to the satisfaction of the Director of Industries) to be in charge of the said Match Factory.

4. PROVIDED ALWAYS and it is hereby expressly agreed and declared as follows:-

(1) That these presents and the consideration grante hereunder are subject to the provisions of the Madras State Aid to Industries Act 1922 and the rules framed or to be framed thereunder.

A

(2) If the mortgagor shall pay in the manner aforesaid the said sum then the mortgagee shall at any time thereafter upon the request and at the cost of the mortgagor reconvey and re-assign the said premises and machinery plant goodwill moneys and other property hereinbefore to be hereby granted conveyed and assigned and transferred respectively unto the mortgagor or as he may direct

(3) The mortgagee shall permit the mortgagor to retain possession of the said premises and the said machinery plant and other property so long as he shall duly make the said annual payments but if he shall make default in the payment of any one of the said instalments or shall not in the opinion of the Director of Industries have applied the money hereby advanced for the purposes for which it was advanced or shall not appoint and retain a properly qualified man (to the satisfaction of the Director of Industries) to be in charge of the said match factory the mortgagee may at any time thereafter sell the said premises and machinery plant goodwill and other property hereinbefore expressed to be hereby granted and assigned and transferred of any part or parts thereof either together or separately and as to the said pieces or parcels of land either in one or more lot or lots and either by public auction or by private contract with power upon such sale to make any stipulations as to title or evidence of title or otherwise which the mortgagee shall deem proper and also with power to buy in or rescind or vary any contract for sale and to resell without being responsible for any los occasioned thereby and for the purposes aforesaid or any of them to execute and do all such assurances and things as he may think fit PROVIDED ALWAYS and it is hereby expressly agreed and declared that the mortgagee shall not execute the power of sale until he shall have previously given a notice in writing to the mortgagor requiring him to pay off the moneys for the time being owing on the security of these presents or left a notice in writing to that effect upon some part of the said

before expressed to be hereby granted conveyed and assigned and default shall have been made in payment of such moneys or some part thereof for three calendar months from the time of giving or leaving such notice PROVIDED ALSO and it is hereby agreed and declared that upon any sale purporting to be made in pursuance if the aforesaid power in that behalf the purchaser and purchasers shall no-

be bound to see or inquire whether the case mentioned in the proviso lastly hereinbefore contained has happened or whether any money remain on the security of these presents or as to the necessity or expediency of the stipulations subject to which such sale shall have been made or otherwise as to the propriety or regularity of such sale and notwithstanding any impropriety or irregularity whatsoever in any such sale the same shall as far as regards the safety and protection of the purchaser be deemed to be within the aforesaid power in that behalf and be valid and effectual accordingly and the remedy if any of the mortgagor shall be in damage only AND IT IS HEREBY FURTHER AGREED AND DECLARED that the mortgagee shall out of the moneys which shall arise from any such sale as aforesaid in the first place reimburse himself or pay or discharge all the costs and expenses incurred in or about such sale or otherwise in respect of the premises and in the next place apply such moneys for the time being owing on the security of these presents and then pay the surplus (if any) of the said moneys which shall arise from such sale unto the mortgagor AND the mortgagor now hath good right to grant convey and assign and transfer all the said premises hereinafter expressed to be hereby granted conveyed and assigned and transferred in manner aforesaid and that if default shall be made in payment of the said sum of Rs. 20,000/- of the interest thereof or

any

any part thereof on any of the days herein mentioned the mortgagee may at any time thereinafter enter into and upon the said piece or pieces of land and premises and shall thereforth quietly possess and enjoy the same and receive the rents and profits thereof without any lawful eviction interruption claim or demand from or by any person or persons whomsoever AND it shall be lawful for the mortgagee to carry on the said business hitherto carried on the said ~~business hitherto carried on the said~~ premises by the mortgagor until the same can be sold or leased at a reasonable piece as a going concern and for that purpose to collect outstandings and to carry out all pending contracts and if any loss shall be added to the principal moneys for the time being owing on the security and bear interest at 6½ per cent per annum and until repayment the same with such interest as aforesaid shall be charged upon the mortgaged premises And that the mortgagor and all persons having or lawfully or equitably claiming any estate or interest in the said pieces or parcels of land plant machinery goodwill moneys and other property or any part thereof shall and will from time to time and at all times hereafter upon the request of the mortgagee and at the cost during the continuance of this security of the mortgagor and afterwards of the person or persons requiring the same do and execute or cause to be done and executed all such acts deeds and things for further and more perfectly assuring the said premises and plant machinery and other property unto the mortgagee in manner aforesaid as shall or may be reasonably required And lastly in order to enable the mortgagee to collect receive and give a good discharge and (if he deems it expedient) to sue for and recover the outstandings book debts or any of them in the name of the mortgagor or to carry out or enforce contracts

and engagements of the said business the mortgagor hereby irrevocably appoints the mortgagee his successors and assigns its attorney and attorneys to do and execute in the name of the mortgagor might do in his own name under these presents.

IN WITNESS whereof the mortgagor hath hereunto set his hand and seal the day and year first above written

I THE FIRST SCHEDULE ABOVE REFERRED TO

1. Nature of the land ... ... Government Dry land
2. Survey NO. S.NO. 506 B/1 and S.NO. 513
3. Extent ... Acre.. Cent ...

506 B/1	3-10	5	54
513	2-44		

4. Assessment ... Rs. 40-14-0
5. Buildings standing thereon:-

1. One bungalow Door No. 1354 Ward No.I North. South 94 ft East to west 40 feet
2. Factory building Door No.1355 Ward No.I North to South 40 ft east to west 104 feet

6. In whose names registered:-

Muthyala Ramanna.

7. Boundaries

East:- Seedaragadda Road

West:- Penukonda Rama Rao's son Narasinga Rao's Bungalow

North:- Alle Dodda Basappa's field and Poojari Narasingappa's field

South:- Contonment Road:

THE SECOND

THE SECOND SCHEDULE ABOVE REFERRED TO

1.	Peeling machine	1
2.	Chopping machine	1
3.	Dipping machine	1
4.	Outer Box making machine ...	1
5.	Inner Box making machine ...	1
6.	Box closing and labeling machine	1
7.	Box painting machine	1
8.	Cooking machine	1
9.	Ball Mill	1
10.	Steam Engine	1
11.	Shafting	75 ft
12.	Pullies	10 ft
13.	Belt	200 ft.
14.	Girders	20
15.	Spanners	10

SIGNED sealed and delivered by the abovenamed MUTHYALA SEENAPPA --- RAMANNA GARU in the presence of --

Sd.M.Ramanna.

Witnesses.

1. R.Krishna Moorthy Rao,
   Goldsmith street,
   Brucepet.

2. Gungi Ramacharya
   Lakshminaryana Temple Street,
   Brucepettah,
   Bellary.